THE Freeman

IDEAS ON LIBERTY

MARCH 1962

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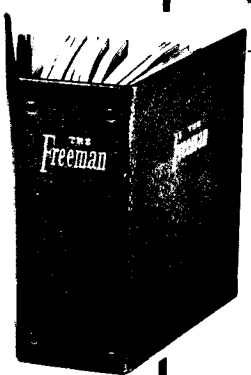

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THE Freeman

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MARCH 1962 Vol. 12, No. 3

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Freedom is the mainspring of mankind's progress. Maximum creativeness and self-reliance can be achieved by man to the degree that he unshackles himself from other men who would make him dependent upon them — as by government or, to a lesser degree, by restrictive authority in private organizations. Thus does man evolve toward his destiny. Following is a true story illustrating the kind of miracle that can happen when man is freed from inhibitory influences.

Production Unlimited

JOHN C. SPARKS

IMAGINE YOURSELF president of a company employing more than a hundred persons. You manufacture and sell products in a very competitive market. A business slump and increasing costs have all but eliminated your profit.

Then a miracle happens to your company – and *only* your company – wherein the general overhead is cut 40 per cent, factory supervision entirely eliminated, factory payroll taxes removed, product costs substantially reduced, quality raised, and capacity for customer service and prompt delivery vastly improved. Furthermore, you no longer spend half your time on production problems, and thus can double the time you give to sales and promotion work.

This, you say, would be an amazing, unattainable dream – a miracle!

After this moment of fantasy, you tell yourself these things cannot happen to any company in our day of government regulation and taxation, union interference, and company paternalism toward employees. It simply could not happen, you say, and the dream evaporates.

But it did happen to Claude Wilson, Jr., President of City Tool Corporation of Dayton, Ohio. "Happen" is not the right word,

Mr. Sparks is an officer of a manufacturing company in Canton, Ohio. He appears here as a "friendly witness," not an affiliate of the City Tool Corporation.

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however, for that implies chance or luck. Claude Wilson made it happen by pursuing a wisp of an idea – expanding it, turning it over, reshaping it, and finally seeking unique professional help to bring it into being. The idea was more than three years in embryo before its birth in August 1959. After more than two years of "learning to walk," the miracle now approaches the dream described above.

When the story began in 1955, the 7-year-old tool and die firm employed approximately 95 production workers in the factory. Mr. Wilson was convinced that the conventional company-organization line of authority released but little of the potential energy and creativeness of his employees. He saw that creative thought was unlikely to reach a significant level because it could not flow freely through the autocratic organization path. New ideas could flow but one way – top down – with very little seepage upward to the president. Late in 1956, he arranged for Ted Otteson, an independent consultant on organization development, to take over the communication job in City Tool Corporation. The aim was to open up the flow of ideas among all employees.

The theory was that in most any company there could be found the answer to the vexing problem of the moment if the right mind could be reached. It was further assumed that only when persons were free[1] would they truly communicate with one another – send and receive ideas without obstruction. A horizontal organization plan was deemed most conducive to such communication. The objective would be to replace the difficult employer-employee communication, which generally flows in but one direction, with a two-directional cross flow.

How To Release the Full Potential of Each Man

That the most complete release of the energies of the persons working for City Tool could not be accomplished under an employer-employee relationship must have been quite an earth-shaking revelation and a tremendous new idea, even for the advanced-thinking Wilson-Otteson team.

Eliminate the employer-employee relationship in factory production? The idea seemed ridiculous. And yet, release of the maximum energy of the workers seemed to lie in this unexplored area – foreign to almost all business organizations. The arrow of logic clearly pointed in this unex-

[1] The word "free" is used in this sense to mean free from restrictive authority within a nongovernment organization.

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City Tool's president Claude Wilson, Jr. (right), conferring with general partner, Walter Harvey (left).

pected direction, and this was where a solution had to be hunted out.

After much serious creative thought and study[2] in which all management and production personnel took an active part, and with the assistance of the legal profession, a novel "plan" was evolved whereby each person producing tools and dies would become a businessman in business for himself. Much legal work was involved, particularly to create new organizations which would not be under the jurisdiction of agencies regulating employers, but which would comply with all the state and federal regulations for independent businessmen. Every effort was made to establish a true arms-length relationship between and among the new independent companies.

Tool and die producers have large, expensive pieces of equipment, such as milling machines, duplicators, boring mills, grinders, lathes, shapers, and presses, the cost of each machine ranging up to $50,000 and higher. How could these former employees acquire the use of such equipment in their new role as independent

[2] Study included examination of transportation companies that in recent years had adopted variations of an idea whereby the former driver-employee acquired his own motorized unit and became an independent owner contracting to haul the trucking firm's trailers to their destination. Experience indicated substantial reduction of general overhead and maintenance expense.

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businessmen? City Tool solved this problem by selling to a leasing company which then leased the equipment to Partners Tool Company, a general partnership of former City Tool employees now in business for themselves. Walter Harvey is the general partner heading this company, and has been highly instrumental in the success of the plan. This partnership, in turn, offered each piece of equipment on a sublease basis to the other new businessmen (former employees of City Tool) who also had formed partnerships of two or three persons each.

The problem of subleasing large pieces of equipment to the small partnership firms was solved by leasing each machine *by minutes* – that is, in small increments of time which the partnerships could afford to buy. Each piece of equipment in the factory building formerly operated by City Tool is now *coin-operated* with the exception of some very large machines which are leased on a time-meter basis. One machine may be available for five minutes at 5¢, another for fifteen minutes at 10¢, a more expensive piece may require 25¢ for fifteen minutes, and so on, thus enabling the numerous small producing partnerships to acquire the use of large equipment for short periods of time.

How It Functions

It is difficult to picture adequately the "unorganized system" that has developed. There are few terms to describe the functions of the new firms developed under this concept. The various small companies have names, such as Partners Tool Company, Viceroy, CAM, Galaxy, J. B. Smith and Company, which serve their purposes at least, for they know the nature of the operating functions performed by each company.

When City Tool finds a potential job or customer, it seeks price quotations from the Partners Tool Company – the general partnership that leases and maintains the equipment and also serves as raw materials purchasing agent. The various producing partnerships are then invited to prepare sealed bids so that a quotation can be made to City Tool. Specific information, delivery dates, and other customer requirements are made known to each producing partnership wanting to bid. Producing partnerships are not required to bid; and the company on the other hand is free to deal with another toolmaker if it wishes. The bids submitted are opened at the scheduled time and are listed on a bulletin board with the low bid indicated. The bid is then passed on to City Tool Corporation. City Tool, after adding

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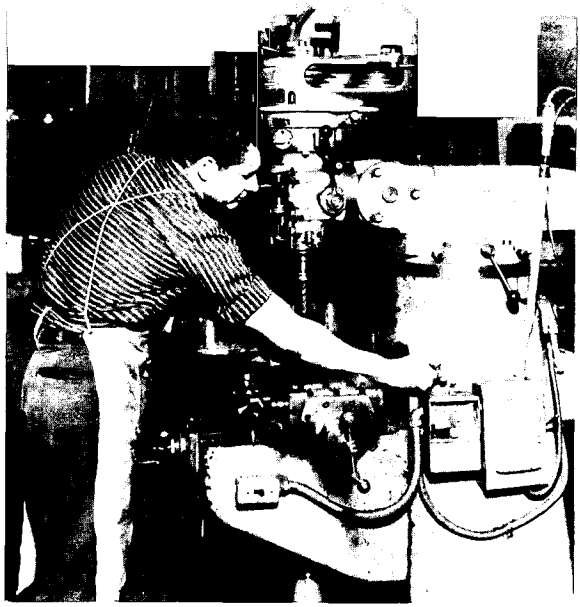

A partner about to acquire "personal ownership" of power and facilities via his U.S. 25¢ coin.

an amount for selling, promotional expense, and profit margin, quotes the job to the customer. In this way the customer obtains from one source the result of two to eight competitive bids. If the job is awarded to City Tool, the producing partnership that submitted the lowest bid is assigned the order. That partnership is completely responsible for producing the product according to the specifications and time-table required.

Before and After

The extraordinary results can be best visualized by comparing the "before" and "after" picture of this operation. Before, there was a president who devoted half of his time to production problems. There was also a vice-president with approximately the same division of time. Others involved in the factory administration were the factory manager, factory superintendent, general foreman, supervisory foremen, estimators, purchasing agent, clerks, maintenance men, tool crib foreman, plus a complement of payroll and accounting employees.

Now there are none of these!

No one has to remind another of his responsibility to give an "honest day's work," because the degree of fulfillment of his obligation and the financial reward are automatically in accord. No one is required to tell a producing partner that he must work from

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7:00 o'clock to 4:00 o'clock. His time is his own. He understands what this means better than ever before. The equipment is available in the factory building twenty-four hours a day, seven days a week. Each partner has a key to the building and, being in business for himself, he works the hours required to complete the jobs contracted for in his successful bid proposals.

Supervisory overhead is non-existent!

Furthermore, the second-floor offices of the City Tool Corporation have been virtually abandoned, and most of the personnel, formerly essential to keep voluminous records, are no longer needed. Only the offices on the first floor, about half the former space, remain.

Some Afraid To Risk Freedom

The biggest problem at the outset of this unique experiment was a subconscious reluctance in the minds of these untried, independent businessmen to make decisions, rather than rely on others. The brand-new need for self-reliance involved a process of pruning, much as trees in a forest shed their dead wood. Machinists and toolmakers who did not wish to think and act for themselves simply left and sought conventional employment elsewhere. More than half of the original production employees departed in the early months. On the other hand, the new concept began to attract the more competent men of the area, at the same time retaining those willing to compete on the basis of their own ability, initiative, and hard work.

Many tool and die companies have employees specialized to the point where a machine operator, for example, will operate only the equipment upon which he is skilled. Unless management schedules work for him at capacity, he is apt to become idle for part of the time, even though his wages continue. In this Dayton "unorganization," there is a tendency toward less specialization and more all-around competence. This, of course, does not deny the advantages of the division of labor, but merely points out that each producing partnership deemed it important to become well-rounded in its ability to turn out complete jobs regardless of the varieties of skills required. The need to attain greater "know-how" first, has at least temporarily reduced specialization; but within the partnerships is usually found one partner who is more able at benchwork while the other is better qualified to handle machine work, thus achieving a sound, economic balance.

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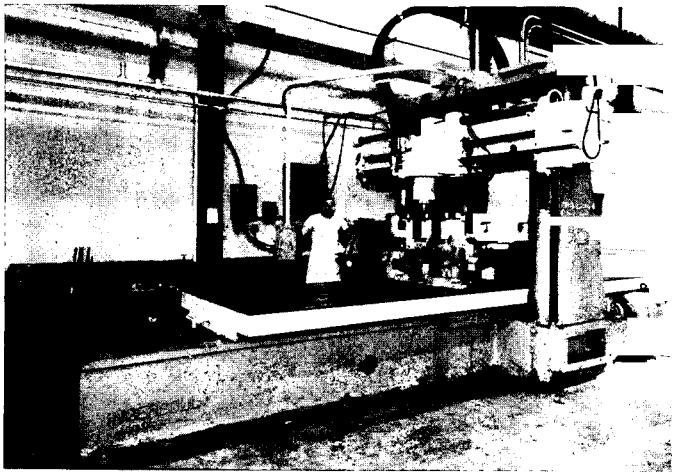

Large castings can be machined on this "metered" planer mill.

Market Guides

The miracle of the market place has come into play in many interesting ways. One of the lesser-skilled jobs is that of a bandsaw operator. In the beginning, the small partnership companies came to the saw operator for their brief rough-sawing jobs. He soon noted that he appeared to have a monopoly of this kind of work, and he doubled the former price. Since it is unprofitable for a toolmaker to send a job outside for sawing because of the relatively short time and dollar amount involved, it appeared that the saw operator had, indeed, hit upon a bonanza. He had not reckoned with the open market, however, and in a short time fewer and fewer sawing jobs were being referred to him. He found that the toolmakers and machinists had learned to use milling equipment to eliminate the need for a portion of the sawing operation. In many cases, the saw operator could not regain his former business even by adjusting his prices to the original rates. He then discovered that he could become more expert at sawing and eliminate a subsequent operation otherwise often required. Once again, he has attracted the business of the producing partnerships which pay a higher price for the more proficient sawing operation. It saves them money.

Another small firm seemed to have a monopoly on jig-boring and jig-grinding. This work is usually of sufficient volume to warrant competitive bids from outside

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firms. So, when the jig-boring and grinding firm set its prices too high, the small partnerships took their work elsewhere! The open market again had its effect, and the jig-boring and grinding partnership reduced its prices. Now it receives almost all of the business available from the producing partnerships. In addition, it sells its services to other shops in the Dayton area.

There are a number of ways to drill a hole. Anything from a simple hand drill to an expensive radial drill will accomplish this end. Before these men became independent businessmen, the easiest and *most expensive* way to drill a hole was most often used. Now the method selected is that which is most economical. A few holes on a drill press may cost only 5¢, while the same holes on a radial drill may cost 25¢. Another cost comparison is interesting. When these men were employees, they did not appear conscious of time wasted as they walked back and forth between machines to do this job and that. As independent businessmen, however, they carefully lay out work to obtain the fullest output of the equipment during the period they have it leased.

At one time a toolcrib foreman was required, and the expense of supplying replacement tools was considerable. The toolcrib itself was fenced in and kept under lock and key. There is no longer any requirement to have a toolcrib foreman, and the fence has been removed. Tools are owned by the small producing partnerships. Occasionally, a partner may buy a special tool of a kind not owned by any other partnership. Rental arrangements for the special tool are easily worked out between the small partnerships on a business-like basis.

The Cost of Experience

One producing partnership almost bit off more than it could chew when the partners ambitiously accepted an order requiring complex technical knowledge beyond their previous experience. Eager to learn and willing to spend long hours to gain valuable new knowledge and "know-how," this small business firm now is probably the most able tool producer in the United States in this particular technique, even though that first job lost money.

If a completed job fails to meet the specifications of City Tool and its customer, the responsibility for restitution is placed exactly where the fault lies! One member of a partnership related that he lost several thousand dollars on a job soon after the "plan" went into effect. Regardless of that unfortunate experience, he emphasized

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A partner submitting a sealed bid and returning prints for competitor's consideration.

that he would not care to return to the former arrangement, for he enjoys being his own boss. Besides, his income has risen far above his former wages. He comes and goes as he wishes, for his success or failure lies with no one other than himself. If he takes the day off for golf or fishing, or several weeks off for vacation, there is no boss to reverse his decision. But he is completely aware that only when he is producing is he rewarded for his efforts; and when he does not produce, he earns nothing.

In the factory building, the timeclock no longer functions, and the timecard racks are empty; but there is no lack of production activity. The men at work provide an air of quiet efficiency, for a partner wishing to loaf generally does so at home. Since he works for himself, the shop represents the place to be busy, not a place to "get his hours in" in the least unpalatable manner, as formerly.

The customers of the City Tool Corporation highly approve this new "system" because they can get in close touch with the men who are working on their dies rather than filter their inquiries and instructions down through the salesman, sales manager, plant manager, superintendent, and foreman before reaching the man on the job.

Sales Stimulant

Another unexpected result of this "system" has been the increased stimulation of the City

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Tool sales effort. City Tool maintains a good relationship with Partners Tool Company by being its best customer – which means that results must be shown in terms of profitable sales. The self-reliant toolmaker-businessmen provide sales motivation with their experienced and competitive cost information, enabling City Tool salesmen to seek out profitable sales rather than waste time on unprofitable accounts. In addition, the increasing versatility of the producing partnerships has led to a vastly expanded and more diversified sales program.

Some of the former officers of City Tool Corporation can be found as partners in one or another of the producing partnerships. One former officer said that he and his partner would probably work right through that particular weekend because of three jobs due on the following Monday. Deadlines are meticulously met. This same man said, in discussing personal insurance, that he carries three accident policies on himself. No rule requires such forethought; this is his responsibility! His wife does the record-keeping for him and his partner, and files their tax returns.

In the past two years, City Tool's percentage of orders received to quotations made has climbed to more than twice the national average for this kind of business. In the same time, the percentage of rejection of jobs completed has fallen off to almost nothing. City Tool is able to quote better delivery dates, and they are met more often than ever before. City Tool estimates that its total business this year will be more than twice the volume of the first year's operation under the new concept.

The earnings of the tool and die makers have also climbed. Although the City Tool management no longer has access to any records revealing the earnings of the men who were their former employees, volunteered estimates by various partners indicate that the average earnings of these men have risen from a former level of between $6,000 and $10,000 annually, to a new level averaging over $15,000. It is reported that some individuals in these partnerships are earning between $20,000 and $25,000 a year.

Thanks to the courageous pioneering of the company president and his ex-employees, everyone has benefited – customers of City Tool, the investors in large equipment, the partnership operating the equipment and purchasing raw materials, and last but not least, the producing partners who are in business for themselves. One or two of the producers report that

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A group of partners reviewing the requirements of a new account.

they do not earn any more than they earned as employees. Even these men ardently support the new arrangement because they like the independence, and furthermore, hope to acquire greater skill and knowledge so they, too, can rise to new heights.

While the story of City Tool and its experience is fascinating, one should not overlook the key point that led to its unusual success. Privately-owned companies, whether or not incorporated, invariably adopt the customary employer-employee organization plan, thereby closing off much of the potential flow of communication — and thus precluding maximum success. This is not an argument to the effect that employees should have equal voice in the management of the employer's assets and business decisions. This cannot and should not be. The startling new concept derived from this experience is that whenever employees can cease to be employees and become individual entrepreneurs instead, the maximum human energy is released. True freedom of action and self-reliance are prerequisite to achievement of this great potential.

Whether or not this principle, as applied in City Tool's job shop, can be successfully repeated in other business organizations, only time, experience, and further exploration will tell. If it can, we may have quite a wonderful revolution on our hands. Regardless, the amazing account of what happened there, when employees changed into self-responsible businessmen, should be an inspiration to others seeking the rich rewards of maximum freedom. ◈

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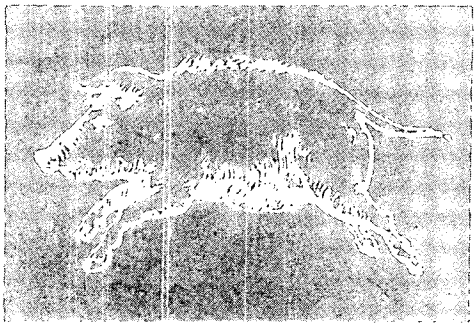

WHOSE BREAD I EAT– HIS SONG I SING

J. G. McDaniel, M.D.

I REMEMBER, as a small boy in knee britches, going with my father to hear an address given by the Honorable Stephen Pace, then congressman from the old Georgia 12th District. It was on the banks of the Ocmulgee River. There was a barbecue, and citizens, especially farmers, from all the counties gathered. This was before the first World War.

It seemed that someone in the Congress had introduced a bill that would give the farmers some money provided they did something. The congressman vigorously opposed it. I have no idea what it was, because I was watching a "dirt dobber" making a ball of mud. The congressman snapped me back to attention, however, when he said, "I'm going to tell you a true story about the wild hogs that once lived about forty miles down the river."

"Years ago," the congressman said, "in a great horseshoe bend down the river, there lived a drove of wild hogs. Where they came from no one knew, but they survived floods, fires, freezes, droughts, and hunters. The greatest compliment a man could pay to a dog was to say that he had fought the hogs in Horseshoe Bend and returned alive. Occasionally a pig was killed either by dogs or a gun – a conversation piece for years to come.

This article is reprinted by permission from the November 1961 *Bulletin* of the Fulton County (Georgia) Medical Society of which Dr. McDaniel is President.

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"Finally a one-gallused man came by the country store on the river road and asked the whereabouts of these wild hogs. He drove a one-horse wagon, had an ax, some quilts, a lantern, some corn, and a single barrel shotgun. He was a slender, slow-moving, patient man – he chewed his tobacco deliberately and spat very seldom.

"Several months later he came back to the same store and asked for help to bring out the wild hogs. He stated that he had them all in a pen over in the swamp.

"Bewildered farmers, dubious hunters, and storekeepers all gathered in the heart of Horseshoe Bend to view the captive hogs.

"'It was all very simple,' said the one-gallused man. 'First I put out some corn. For three weeks they would not eat it. Then some of the young ones grabbed an ear and ran off into the thicket. Soon they were all eating it; then I commenced building a pen around the corn, a little higher each day. When I noticed that they were all waiting for me to bring the corn and had stopped grubbing for acorns and roots, I built the trap door. Naturally,' said the patient man, 'they raised quite a ruckus when they seen they was trapped, but I can pen any animal on the face of the earth if I can jist get him to depend on me for a free handout.'"

We have had patient men in our central government in Washington for years. They are using our own dollars instead of corn. I still think about the trap door and the slender, stooped man who chewed his tobacco deliberately, when he spat and turned to the gathered citizens many years ago and said, "I can pen any animal on the face of the earth if I can jist get him to depend on me for a free handout."

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PLANNED CHAOS AND THE NEW IDOLATR

EDMUND A. OPITZ

IF WE COULD take a sampling of American public opinion, asking people, "Are you for communism or against it?" an overwhelming majority of our fellow citizens would be in opposition. They would accept the anticommunist label as readily as most of us. How could they do otherwise, with communism's ugly record of the past forty years spread before all eyes? What are the ingredients of this record? Revolution, treason, and betrayal were present from the beginning. As the record unfolds, it becomes ever more grim; concentration camps, torture, and mass murder; broken treaties, conquest, and the suppression of whole peoples. And the end is not in sight.

Communism did not invent the crimes it practices; history, as Edward Gibbon remarked in his *Decline and Fall of the Roman Empire,* "is indeed little more than the register of the crimes, follies, and misfortunes of mankind." But if we examine the present world crisis centering around communism, we discover two things which are new.

There is, first of all, the magnitude of this tyranny, not only in terms of the area over which it holds sway and the countless millions of people it controls, but also in terms of the penetration of this control into each man's life. Ancient tyrannies – no matter how boundless their ambitions – were limited in extent by the difficulties of communication and supply. Genghis Khan and Tamerlane overran vast territories, killing and terrorizing, but they were hampered by the practical problems of logistics and policing. Present-day conquerors avail themselves of the latest technological advances in every field; in transport, as well as in the use of the written and spoken word. And they have discovered new techniques for securing "coopera-

The Reverend Mr. Opitz is a member of the staff of the Foundation for Economic Education.

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tion" by intimidation and scientific terror, so that people police each other.

The second new thing about modern tyranny emerges from the first. Communism is not simply a mere revival of ancient slavery or serfdom; it seeks to dominate the minds of its subjects as well as their bodies. Communism uses its population as drudges, and by Stakhanovite methods seeks to get more production out of them. But it does not stop there. Communism claims the hearts and souls of men, as well as their bodies. It seeks to create a new man, independent of the old ties which bound men to family, country, and God. To the extent that communism succeeds in severing men from their old attachments, it fails; its "new men" become monsters.

In spite of these things, there have been communists and fellow travelers among us. They are with us yet. Some are influential and articulate. But despite a generation and a half of communist propaganda, comparatively few Americans adopt the party line – so long as it bears a "Made in Moscow" label.

The 1930's, it is true, were spoken of as "The Red Decade," but this red tinge, after all, afflicted only a relatively few persons. There was, of course, the honeymoon period during World War II when Russia was our "noble ally." This was a period when people who should have known better joined all kinds of "Front" organizations and coughed every time Joe Stalin had a tickle in his throat.

But when the crusading fervor of World War II wore off, we took another look at the Soviets, and there was the same old dictatorial rule, the concentration camps as before, the continuing political murders, the underhanded penetration of all governments including our own by communist agents and dupes, the conquests, the brutal suppression of natural human aspirations for more freedom (as in Hungary) – and we began again to see communism for what it really is: ancient tyranny plus all the modern refinements.

Communism: a Twofold Danger

As a result, Americans are now aroused against communism as never before. They see it as a twofold danger; as a subversive ideology, and as an armed revolution. Communism, in the first place, is a kind of ersatz religion, a challenge and a threat to our whole way of life. In the second place, communism is an armed revolutionary movement which threatens our very lives. Naturally, therefore, Americans want to defend

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themselves at both levels; the spiritual as well as the military.

Defense at both levels is important, but the spiritual is more important than the military. Coming from a clergyman, this may sound like a mere sentimental gesture, so let me try to explain.

Power is not the same thing as brute strength. If it were, we would not be here talking about the threat of communism, for modern communism began a little more than a century ago as a defenseless idea, or ideology, in the brain of Karl Marx. When this ideology was first unleashed, it had no military hardware at its disposal, and it had little else! A number of researchers have shown that Marx did not have original opinions in economics, politics, or intrigue; instead, he picked the brains of other men. But he dressed up these old ideas so attractively and imparted such a spin to them that they have ever since exerted an almost irresistible attraction on millions of men. The times were ripe for such a movement as Marx launched; and nothing, as Victor Hugo has told us, is so powerful as an idea whose time has come. Long before Marxism took root the once healthy soil of Western culture had been prepared for just such a perverted growth.

In the early years of the twentieth century a self-unemployed lawyer and political exile was living in a foreign country in a rundown boarding house. He lived on handouts. He wrote angry tracts, made rabble rousing speeches, and plotted the Revolution. As World War I drew to a close, he seized control of a great country and set brush fires on every continent. The man's name was Lenin. He had no physical power at the outset, but he lived for an idea. It was an evil idea to which he devoted his life, but the Marxist ideology which consumed him forged ahead until it invested itself with today's Soviet military machine. But the real power was in the idea; once this idea began to take hold of men's minds, military weapons gravitated toward it. *Once this idea begins to lose its hold on men's minds, the weapons will start to fall away.*

Ludwig von Mises, the eminent economist and social philosopher, puts the point as follows: "One can become a leader only if one is supported by an ideology which makes other people tractable and accommodating. Might is thus not a physical and tangible thing, but a moral and spiritual phenomenon. A king's might rests upon the recognition of the monarchial ideology on the part of his subjects." This insight accords with the advice of the French revolu-

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tionist who told his followers: "Don't attack the king; attack the idea of monarchy."

The Marxist ideology has seeped into several countries and these countries have armies. We must, therefore, keep our guard up against a possible military threat, and this we are doing. We spend a great deal of money each year on ships, planes, tanks, bombs, and missiles. Furthermore, we have some able military minds and technicians among us. Even though our military defense system is not all it should be, and may be sadly lacking in certain sectors, it is in far better shape than our intellectual, moral, and spiritual defenses. Our real enemy, basically, is not a foreign army; it is an alien philosophy. The real danger is that we will disown our native heritage of religious, political, and economic beliefs and replace them with beliefs patterned after the ideology of our opponents. Should this actually take place, they will have gained the victory without firing a shot.

To a greater extent than we like to admit, this *is* happening. It may happen even among a people who regard themselves as anti-communist, if they are betrayed into the comforting belief that communism is an external and foreign threat only.

Admiral Ben Moreell has put his finger on this danger. "Communism is a species of blasphemous religion," he writes, "operating under several guises, or aliases, the Moscow variety being the most obtrusive." He concludes his catalog of communism's aliases by saying:

"And, finally, there is 'domesticated communism,' a species which is far more destructive of our social and political institutions than any of the others. Its followers denounce 'communism,' in the abstract, with all the vigor at their command. But, at the same time, they advocate measures which ideologically differ little from the program promoted by Marx and Lenin. We Americans have repeatedly been alerted against an unanalyzed thing labeled 'communism.' But many of our people have not been alerted against the specific political and economic measures which, taken together, *are* communism. They readily accept the heart of the communist doctrine, which is the *enhancement of political power at the expense of the natural rights of the individual.*"

For the Mind and Soul of Man

What we are witnessing today is a world-wide battle for the mind and soul of man – in education, in religion, and in politics. It is a contest to determine the

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system of values to which men will give their final allegiance. Call this a battle of propaganda, if you will; and in this area we must admit that it's Russia by a mile.

Our predicament, in a nutshell, is illustrated by the famous statement of the then General Eisenhower about his conversations with Marshall Zhukov. "We tried to explain to each other," said Eisenhower, "just what our systems meant, to the individual, and I was very hard put to it when he insisted that their system appealed to the idealistic, and we completely to the materialistic, and I had a very tough time trying to defend our position. . . . You run against arguments that almost leave you breathless; you don't know how to meet them."

Genuine loyalty to a code of values must be freely given. This is not a matter for the intellect alone, but a man who cannot give reasons for the faith that is in him and meet the arguments against it is in danger of losing that faith. It is not enough merely to proclaim our devotion to the American System; we must seek to understand what it is and how it came to us. Unless we are aware of the spiritual and moral antecedents of our way of life, as well as the political and economic implications of it, we will lose what Abraham Lincoln called "the last best hope of earth."

Military Preparedness

A growing number of people are now aware that military preparedness is but a phase of the war which is total. The enemy we confront seeks to disarm us intellectually; he seeks to confuse our systems of loyalties, to distort our values, to capture our very souls. Hence, the crucial need for a rebirth of our own philosophy. In addition to this, we must understand the ideology of communism and its various techniques for advancing its aims short of military conquest. Some of these techniques make use of "double-think" and "double-talk."

To illustrate: The Soviet Union denounces imperialism and colonialism, and becomes the greatest imperial and colonial power in history. It uses the concept of democracy to buttress autocracy. It perverts the judicial processes to wring confessions from innocent men. This is warfare in another dimension than the military. It even goes beyond what is usually called "psychological warfare."

The aim of war always has been to impose your will on the enemy or to prevent him from imposing his will on you. Propaganda has always accompanied arms, but main reliance in the past has been

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on physical force. You inflict damage on the enemy's soldiers and destroy his property until his will to resist has been broken. But modern refinements of propaganda techniques are so effective that in many instances the will can be gotten at directly to soften or break it. Something of this sort happened to many of our soldiers in the Korean War, in the process called "brainwashing."

Confused about Communism

It is understandable, though it may be regrettable, that many of our young soldiers in Korea had no clear comprehension of communist ideology. This disability they share with a majority of our fellow Americans today. "Communism," for all too many Americans, is simply a label which they have been conditioned to distrust, hate, or fear. But if you ask them for an exposition of the ideology behind the label, they are at a loss. We have paid for this ignorance, and we continue to pay for it; but it is not the worst of our afflictions. It is bad enough that we as a people are untaught as to communist ideology and methods, but it is inexcusable negligence that millions of Americans go through college, and millions more through high school, and do not know what Americanism is!

Try an experiment. Ask a dozen or so of your friends how many have read *The Federalist*. Ask them to give a coherent account of the philosophy and structure of the federal republic projected by the Founding Fathers. When you have done this, wonder no more that there were defectors in Korea! We Americans have lost touch with the wellsprings of our national life. Is it any wonder, then, that this confused generation, ignorant of Marxism and Americanism alike, offers so little resistance to communism, except on the level of labels?

Not Clear about Liberty

If one were asked to sum up in a phrase the essential meaning of American life as projected by the Founding Fathers, what words would he choose? Permit me to answer this question by offering the phrase, "liberty and justice for all," as epitomizing the American ideal. These words have relevance to our workaday world, to the realm of economic life, its meaning, and its freedom, but they carry religious overtones as well. Our religious heritage spells out into personal liberty in the political and social spheres. The God who gave us freedom to accept or reject Him certainly intends us to be free in our relationships with other men.

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This leads logically to the general philosophy of freedom which includes liberty in the economic sphere as one of its particulars. Once, perhaps, this could be taken for granted, but not in today's troubled world. Our situation has changed with reference to the roles of citizen and government; the balance of power has shifted to government, and the political power which was once dispersed in this country in municipal, county, and state units has been largely concentrated in Washington. Centralization of political power is the pattern in all countries, whether they are behind the Iron Curtain or on this side of it. The liberties we once enjoyed as our birthright and exercised according to our own discretion have been annexed by society or by the state. Formerly, we enjoyed independence; now we are grateful for parole during good behavior.

Both in theory and in practice we have gone from inherent and inalienable freedom to what might be called a kind of discretionary serfdom. Once we were free to initiate our own pattern of action and follow our own wisdom and conscience – provided our actions did not infringe the equal rights of all other persons. Now, we are allowed to do whatever the state or the law permits.

Presently we have a great deal of latitude within the state's area of permissiveness, so that we hardly feel its yoke upon our necks. But if we accept the principle that the state is our master and the endower of such rights as it tolerates, then we must look forward to this mastery being exercised over us with ever-increasing rigor. We still dwell under the protection of the old idea that an individual has God and the right on his side when he challenges the immoral actions of an unjust state. But this idea dwindles as its religious underpinning is eroded.

Governments Established To Secure Men in Their God-given Rights

The basic premises of the American system are to be found in the Declaration of Independence, where it is asserted that each man derives certain rights from God. "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

Governments are established – according to this philosophy – to secure men in their God-given rights. Constitutions and political structures merely formalize the outer and social freedom which men's inner and spiritual liberty

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demands. If government fails in its primary task of defending men's birthright of freedom, men are justified in altering or abolishing it, so the Declaration reads, and may then "provide new Guards for their future security."

The inherent rights idea which was so prominent in the thinking of the Founding Fathers is but the immediate application to political philosophy of the Christian idea of man as a creature of God and accountable to God for the proper ordering of the soul for which he alone is responsible. The late Dean Inge spoke of Christianity's "deep-rooted individualism." He asserted that "assuredly its tendency is to claim 'natural rights' for every human being as such."

The Marxist Idea

In contrast to this statement there is the declaration of the late Sidney Webb, the godfather of Fabian socialism: "The first step must be to rid our minds of the idea that there are any such things in social matters as abstract rights." And Marxism, denying God, logically denies the idea of individual rights. In so doing it reduces individuals from persons in their own right to mere units of the state. Communism, with all its ugly features, follows logically from this initial premise.

Party line communism with a "Made in Moscow" label on it is not popular in America. It doesn't need to be. Its unpopularity does not matter, if only we can be induced to accept the Marxist ideology under some other label. This we are doing. Americans have been running away from their own revolution – which for the first time gave political form to the "individual rights-Creator sovereignty idea" – in order to embrace an alien program saturated with Marxism. They do this under the delusion that there is some safe middle ground between the idea of freedom, on the one side, and communism on the other.

But there is no such neutral ground! There is only one place to take a stand, if we are really opposed to Marxism, and that is to stand uncompromisingly with the philosophy of freedom, including its spiritual and moral antecedents together with its political and economic implications.

Rights as Demands

The key idea of freedom, as I have emphasized, is the conviction that men derive their rights from the Creator. This is a religious idea, so I turned to a "Report on the Changing Dimensions of Human Rights" recently issued by a national church group. I was gratified to see that the Report quoted the Declaration of Independence

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and then went on to say: "Human rights belong to persons because of what in God's grace they are, not because of the political power of the state."

But my gratification vanished when I saw how the authors of this report spelled out their premise, and in so doing changed the concept of "rights" into "demands" or "goals." "Where formerly human rights were limited mainly to those political rights which governments have protected," reads the Report, "they now extend their orbit to include a whole galaxy of social and economic goals in the attainment of which people look to their democratic, representative governments as instruments."

Human "rights" were once thought of as endowed by God. "Rights" have now been debased into demands which people may make of the state for "social and economic goals." The state has no means of its own for meeting such demands, so, in practice, this concept of "rights as demands" means the creation of pressure groups to secure favors from the state for their members at the expense of people not so organized. This is, of course, a flat denial of the latter's rights. That a church group should sponsor such a philosophy is a measure of our intellectual and spiritual decline.

Capacity for Self-Government

The framers of our institutions, Madison said, rested all their experiments upon "the capacity of mankind for self-government." In order that men might have an area for the exercise of their natural freedom, government was to be limited to certain delegated and specified functions. Our government was not designed to administer the affairs of men; it was designed to administer justice among men who run their own affairs.

"Free government," as Jefferson wrote, "is founded in jealousy, and not in confidence; it is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power. . . . Our Constitution has accordingly fixed the limits to which, and no further, our confidence may go . . . . In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."

When government is limited to well-defined and well-understood functions and duties in society, men have plenty of elbowroom to go about their creative and productive tasks. This is the meaning of freedom in human affairs, and such freedom as we have enjoyed in America is the result of keeping government within its proper

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bounds. "The history of liberty," as Woodrow Wilson told us in 1912, "is the history of the limitations placed upon governmental power."

The Founding Fathers were heirs of the spiritual faith which, in the fullness of time, gave rise to political liberty. We stand in the same line of succession, and thus we have at hand all the ingredients for a possible rebirth of freedom. Only the will is lacking, and only our individual initiative can make it up. What we do or don't do with our lives can mean victory or defeat for the things that matter most for us and our posterity. ◈

IDEAS ON LIBERTY

The Coming Slavery

TABLE-TALK PROVES that nine out of ten people read what amuses them rather than what instructs them; and proves, also, that the last thing they read is something which tells them disagreeable truths or dispels groundless hopes. That popular education results in an extensive reading of publications which foster pleasant illusions rather than of those which insist on hard realities, is beyond question . . .

Journalists, always chary of saying that which is distasteful to their readers, are some of them going with the stream and adding to its force. Legislative meddlings which they would once have condemned they now pass in silence, if they do not advocate them; and they speak of *laissez-faire* as an exploded doctrine. "People are no longer frightened at the thought of socialism," is the statement which meets us one day. On another day, a town which does not adopt the Free Libraries Act is sneered at as being alarmed by a measure so moderately communistic. And then, along with editorial assertions that this economic evolution is coming and must be accepted, there is prominence given to the contributions of its advocates. Meanwhile, those who regard the recent course of legislation as disastrous, and see that its future course is likely to be still more disastrous, are being reduced to silence by the belief that it is useless to reason with people in a state of political intoxication.

HERBERT SPENCER, *The Man Versus The State*, 1884

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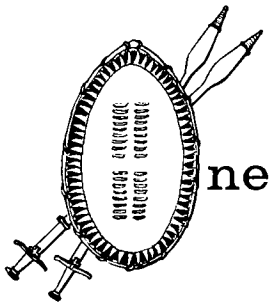

One Man's Gain

PAUL L. POIROT

THE LAW OF THE JUNGLE decrees that might makes right, that one man's gain is another's loss, that to the victor belong the spoils. This is the law that governs when disputes or differences flare to the point of all-out war, or in any contest where the outcome depends upon physical force: for every winner there is a loser.

There is a certain merit to this law which governs the processes of evolution, natural selectivity, survival of the fittest, and the emergence of human beings among competing forms of life. But the very idea of being human gives rise to revulsion at the seeming cruelty of "Nature, red in tooth and claw." Man, because he is human, seeks to improve his own well-being and to resolve disputes by means other than brute force, sheer strength of numbers, or struggle to the death of at least one of the combatants. Justice tempered with mercy is the essence of humanity.

There is no doubt about the severity of the competitive struggle in Nature. And awareness of this fact leads some persons to conclude that competition always works the same way – that for every winner there must be a loser. Yet, even in Nature are to be found various forms of "mutual aid" and many rules of behavior which modify the competitive struggle, as when members of a herd cooperate with one another in defense against a common enemy.

Man, especially, has adopted humane rules of competition. Competitive sports, as we know them, are tests of skill and stamina to pick a winner but not the bloody and deadly games of yore; even the losers in modern sports are expected to survive.

Nevertheless, in a world of some three billion human beings – with limited supplies of land, tools, and other resources needed or wanted for survival and human betterment – the competitive struggle

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persists. And men are far from agreeing on what rules should govern it.

In some parts of the world, the rule may still be "every man for himself" – the old law of the jungle. But in most of the so-called civilized world, there are various man-made attempts to modify that law.

In many countries, the rule is "from each according to ability, to each according to need," the compulsory socialist formula based on the view that the individual human being is and ought to be subordinate to the will of the ruling majority.

Respect for Person and Property

Elsewhere, and to the extent that some societies are not wholly committed to socialism, a private enterprise type of competition is practiced. One of the important rules of competitive private enterprise is that each peaceful individual is entitled to choose how he will use his time and talents; his right to life is respected. A corollary rule concerns the private ownership and control of property, as distinguished from the socialistic idea of "ownership in common" – which works out in practice, control by the governing class. Private ownership respects the right of the finder, creator, buyer, or otherwise lawful possessor of scarce resources to use such property according to his own choice. Consistent with the foregoing rules respecting life, liberty, and property are the practices of specialization (division of labor, according to each person's peculiar talents) and voluntary exchange (a willing buyer and a willing seller trading to mutual advantage).

It is important to note and remember that a free-market exchange economy – where each person chooses how to utilize his time and talents and property, and trades if he pleases with anyone else who is willing – rests squarely and essentially on the private ownership and control of one's own person (no slavery) and one's own property (no robbery or confiscation). Except as a person owns and controls a service or commodity (private property) he could not possibly offer it in exchange and make good the delivery.

Despite the fact that voluntary exchange is the only manner in which production and distribution of scarce goods and resources can be accomplished without coercion of any participant, there are nonetheless those who miss that vital point and who insist that competitive private enterprise is inhumane, that it is without sympathy for the weak, that some are poor

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only because others are rich, that one man's gain necessarily measures another's loss. They fail to see that when an exchange is voluntary, then both parties must gain from the transaction – or at least think they have – else they would not willingly make the trade. The gain of one is possible only because the others with whom he trades also see gains for themselves.

The Worthy Are Rewarded

With minor exceptions, no doubt, those who reap the greatest gains or profits from competitive private enterprise and free-market exchange are those with the best showing of satisfied customers. The more efficiently one produces and offers goods or services – the better able he is to hold quality up and costs down – the more likely are his customers to shower him with profits. Since the great majority of the potential customers in any society are the comparatively poor, it follows that many of the largest fortunes from business enterprise fall to those who have cut costs sufficiently to make their wares attractive to the masses of the comparatively poor. And the ones who lose out or fail in the competitive drive for satisfied customers are most likely to be the ones who could not or would not serve the poor. It takes no socialistic government to reprimand and punish such ineptitude; open competition attends to that.

The socialist critics of competitive private enterprise, on grounds that it allows some to gain at the expense of others, obviously do not understand. For if they could understand, they would realize that socialism – despite its humanitarian, share-the-wealth appeal – does precisely what they deplore: it insists that some must lose what others are to gain. That is why socialism has to be compulsory. Every variation of the "welfare state" in the world today is but a crude reversion to the ruthless law of the jungle: might makes right, one man's gain is another's loss, to the victor belong the spoils.

The better alternative is competitive private enterprise and voluntary exchange – the only economic "game" that allows every player to win, the only social system that affords the maximum of true voluntary charity, and the only political concept consistent with the belief that individuals are "endowed by their Creator with certain unalienable rights." ◈

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IT IS COMMON KNOWLEDGE that when a government attempts to coerce the people by an expansion of the police power, there is an inherent weakness in the moral and ethical fiber of that nation. When the internal cohesive obligations of a people no longer sustain a society, the state by coercion attempts to contain the population. In this sense the expansion of the police power is the overt evidence of the breakdown of social solidarity in that nation.

A government or a society is sustained by one of two kinds of control: ethical compulsion, or by force of the club and the gun. If morality weakens within a nation, the government expands into a police state. When a nation is held together by the club and the gun, morality is already dead. Dictatorships feed upon decadent morality. The tyrant's club cannot create political or social morality.

When a government becomes a police state and rules by the club and the gun, it thereby signs its own death warrant. There is a recoil in the use of the club as there is in the powder exploded in the breech of a rifle. Morality once shattered destroys the people and the ruler. Outside of prison and this side of hell men are not bound together by the club but by the consciousness of moral obligations. The bond which holds men together is morality and not brutality. When a nation builds walls to contain the people, morality fades and in time that nation dies behind its own barricades.

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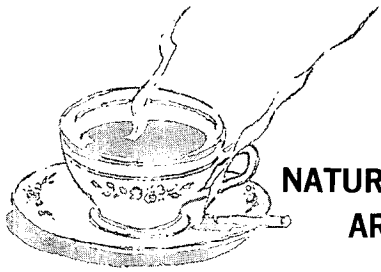
Of Rights



NATURAL and ARBITRARY

CLARENCE B. CARSON

THE NUMBER of rights to which Americans are entitled appears to be increasing rapidly. Almost any current magazine or newspaper is apt to carry mention – sometimes casually – of some new right. They run the gamut from the right of workers to "toilet time" to the right of all adult citizens to vote. The establishment of these rights does not seem to require a constitutional convention or even a court order. Some of them may, for ought I know, be promulgated by cub reporters. They derive in spirit, for the most part, from an "Economic Bill of Rights" set forth by President Franklin D. Roosevelt in his Annual Message to Congress in 1944. He said, in part:

In our day these economic truths have become accepted as self-evident. We have accepted, so to speak, a second Bill of Rights under which a new basis of security and prosperity can be established for all – regardless of station, race or creed.

Among these are:

The right to a useful and remunerative job in the industries or shops or farms or mines of the nation;

The right to earn enough to provide adequate food and clothing and recreation;

The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;

The right of every business man, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;

The right of every family to a decent home;

The right to adequate medical care and the opportunity to achieve and enjoy good health;

The right to adequate protection from the economic fears of old age, sickness, accident and unemployment;

The right to a good education.[1]

At the risk of being labeled an ingrate for looking a gift horse in the mouth, I have some ques-

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[1] Franklin D. Roosevelt, *Nothing To Fear*, edited by Ben D. Zevin (New York: Popular Library, 1961, copyright 1946), p. 406.

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tions about this accretion of rights. Does the apparent "gift horse" carry a concealed price tag? Can rights be established at will? Are there any limitations upon what may be claimed as a right? What are the foundations and sources of these rights? To answer these questions we must delve into the nature and history of rights.

A right, according to the *American College Dictionary*, is "a just claim or title, whether legal, prescriptive, or moral." More, it is "that which is due to any one by just claim." As an adjective, right is correctly used when it is "in conformity with fact, reason, or some standard or principle." A right, then, is something to which one is entitled, and it must be founded upon reality, reason, or principles. This definition can only serve as an abstract guide; the abstractions must be given content before they will serve to distinguish between true and false claims to rights. This can be done by referring to the history of American claims to rights.

Traditional Rights

To lay claim to certain rights is in keeping with American tradition. To hold that some rights should be inviolable has precedents antedating the Declaration of Independence, for the Rights of Englishmen were recognized in colonial charters of the seventeenth century. Thus, there has never been a time in the history of English America when the inhabitants did not believe that they were entitled to some rights. Further, from colonial times to the mid-twentieth century the insistence upon certain rights has been a central theme in our history. Our attention, however, must be focused upon what rights were claimed, what they were based upon, and what changes have occurred.

The earliest grants of rights to Americans stemmed from the King of England. His authority derived from his claim to rule by Divine Right. But in the course of the seventeenth century a momentous change occurred in men's beliefs about the source of their rights. Thinkers began to reason that rights derived directly from Nature whence they had been implanted by God, rather than indirectly through Divinely appointed authority. This view was used by John Locke to justify the Glorious Revolution in England, and by the time of the American Revolution it had been accepted by most thinking Americans. The rights which Americans claimed and instituted protections of in our revolutionary era were referred to as Natural Rights.

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The Law of Nature

The Natural Rights Doctrine can be succinctly summarized. It held that God had created the universe and that in so doing, as Alexander Hamilton put it, "the Deity, from the relations we stand into Himself and to each other, has constituted an eternal and immutable law, which is indispensably obligatory upon all mankind, prior to any human institution whatever. This is what is called the law of nature . . ." After quoting briefly from Blackstone, Hamilton continues his explanation:

> Upon this law depend the natural rights of mankind: the Supreme Being gave existence to man, together with the means of preserving and beautifying that existence. He endowed him with rational faculties, by the help of which to discern and pursue such things as were consistent with his duty and interest; and invested him with an inviolable right to personal liberty and personal safety.
>
> Hence, in a state of nature, no man had any *moral* power to deprive another of his life, limbs, property, or liberty; nor the least authority to command or exact obedience from him, except that which arose from the ties of consanguinity.[2]

These, then, were the foundations upon which Americans based their rights when they set up the institutions of civil society in the Republic. They were founded upon the reality of a created universe whose Creator had invested with natural laws. The Founders believed that they had used reason to discover these laws, and that they were reasonable. The principles of natural rights, however, need to be more specifically stated. Natural rights were those rights which man would have if there were no governments or other human institutions. They would be rights because no man would have a *right* to take them away, though he might wrongly do so by the use of force. Thus, no man can claim a *right* to the *life* of another. No one has a *right* to the *liberties* of another. In like manner, no man has a *right* to the *fruits of the labor* of another. In short, by nature a man would have the *right* to the *exercise of his faculties* in *pursuit of his own well-being,* so long as he *did not trespass* upon the equal rights of others.

In a state of nature, however, natural rights would be endangered by the strong, the predatory, and evil combinations of men. Thus civil societies and governments were necessary to prevent the trespass of one man or a group upon the rights of another. In society, according to eighteenth

[2] Richard B. Morris, ed., *Alexander Hamilton and the Founding of the Nation* (New York: The Dial Press, 1957), p. 9.

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century thinkers, natural rights gave way to civil rights. But this change did not alter the content of liberties; it merely gave social support to them. As Hamilton said, "*Civil liberty is only natural liberty, modified and secured by the sanctions of civil society.* It is not a thing, in its own nature, precarious and dependent on human will and caprice, but it is conformable to the constitution of man, as well as necessary to the well-being of society."[3] It should be clear from this that governments might institute protections of civil rights but that the rights would not stem from governments.

Usurpation by Government

Many Americans feared that the government created to protect the individual in his rights would usurp them itself. As Thomas Jefferson said, "There are rights which it is useless to surrender to the government and which governments have yet always been found to invade. These are the rights of thinking and publishing our thoughts by speaking or writing; the right of free commerce; the right of personal freedom."[4] Jefferson was expressing his discontent with the original United States Constitution because it did not specifically prohibit the government from trespassing upon the rights of the individual. It was to answer this objection that the first Ten Amendments were added to the Constitution. These amendments were carefully worded. They do not imply a grant of rights by the government; the belief that they do is one of the distortions that has crept into our national thought. They are, instead, limitations upon the government itself. Their phraseology makes this clear: "Congress shall make no law respecting an establishment of religion" (Article I); "the right of the people to keep and bear Arms shall not be infringed" (Article II); "The right of the people to be secure in their persons . . . shall not be violated" (Article III). The Bill of Rights should be correctly construed as prohibiting the government from trespassing upon natural rights as civil rights.

Recent Claims

The above are the facts, reasons, and principles upon which the rights claimed by our ancestors were based. Now let us examine some of the recently claimed rights to see if we can determine their character. Does every child have a *right* to an education? If

[3] Morris, *Alexander Hamilton*, p. 13.

[4] Edward Dumbauld, ed., *The Political Writings of Thomas Jefferson* (New York: The Liberal Arts Press, 1955), p. 57.

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so, it must mean that he has a claim upon someone to educate him; for a right to be viable it must be realizable. Education requires a teacher. A teacher must come forth willingly or one must be procured by inducements or coercion. In practice, the problem is one of employing teachers and paying them for their services. The money for payment must be willingly given, or it must be extracted from those who have it by force or threat of force. In either case, however, for a child to have a right to education means that he has a right to the *fruits of the labor* of others. In short, the right to an education can only be established at the expense of another and prior right.

Does everyone have a *right* to an adequate wage? If so, it must mean that he has a claim upon someone to pay it to him. Suppose that the workman does shoddy work, that he does not produce goods in sufficient amount to reward his employer for a decent wage, that he is incompetent, or that his skills are no longer salable. Does he still have a right to a decent wage?

If he does, it will have to be taken from the *fruits of the labor* of others. The same thing can be said of the right of the farmer to "sell his products at a return which will give him and his family a decent living; the right of every family to a decent home; the right to adequate medical care," and so forth. The establishment of such rights would be the instituting of perpetual coercion and injustice. Even if enough people would willingly give from the fruits of their labor to provide these benefits, that would not establish them as rights, for no claim to a gift can be established without changing it from a gift to a tax.

Human Rights

Those who favor instituting "economic rights" have invented a supposed distinction between "human rights" and "property rights." These human rights are said to be prior to and superior to property rights. Thinkers who make this distinction are accustomed to refer to all concern with money, finances, and property as selfish and motivated by the desire for "pecuniary" gain, the latter being ignoble and inhuman in its consequences. But property (or monetary) rights are reducible to the rights of human beings to the fruits of their labor and the enjoyment of their life. The expropriation of property or money is an expropriation of that part of the life of a man which he has spent in acquiring or improving his property and earning his money. More, it is an *ex post facto* incursion

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upon the liberties of the individual, for it is the taking from a man the product of his use of his liberty. If the right to the disposal of his property is not a human right, there are no human rights.

Who Is To Provide?

Enough has been said to enable us to characterize the nature of most of these latter day claims to rights. They must be *provided* by someone or some agency. They are not founded in the nature of the universe, the nature of existence, or natural law. Thus, they are arbitrary creations, the product of the undisciplined imaginations of men. Can rights be arbitrarily created? If they can, what would be the effect of doing so? Undoubtedly, language can be used, or abused, to announce an almost limitless number of rights. Legislatures can embody such claims in acts, and politicians can run for office on the basis of them. But what cannot be done is to make a *grant* of something substantial without removing it from someone who is in possession of it. No one can be given the right to associate with me without taking from me my right to choose with whom I will associate. No one can be given the right to goods which I produce without taking from me my right to the fruits of my labor. No one can have a right to my services without infringing my liberty of serving whom I will.

An arbitrary "right," then, is based upon appearances rather than reality, upon expediency rather than reason, upon confusion rather than principles. It is founded upon the false premise (the appearance) that governments can create rights, that necessity or desirability can give rise to a just claim, and that a man's life and liberty can be separated from the fruits of them. An arbitrary "right" is one which would entail a limitation on other rights in its normal exercise. A natural right is one which *can be* exercised without trespassing upon the rights of others. It is founded in the nature of human existence. An arbitrary "right" has to be provided; a natural right has only to be acknowledged and protected. Arbitrary "rights" require positive enactment by governments; natural rights require only negative prohibitions.

The Defamation of Natural Rights

The natural rights doctrine has been "discredited" in fashionable intellectual circles. This was accomplished by imputing to natural rights philosophers a false conception of the history of man. The defamers of natural rights

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profess to believe that our ancestors believed that man existed at one time in a state of nature, and that the validity of their concepts depends upon the historical existence of such a state. This is not now and never was a valid issue; whether man ever actually existed in a state of nature is wholly irrelevant. Natural rights philosophers based their doctrines upon the nature of reality, not upon the course of historical development. They reasoned that governments were human creations, and that human creations were artificial. By a state of nature they meant the natural condition of man without such human artifices. They were peering beneath the surface of appearances to the underlying reality. They were holding that there is a limiting and lawful reality prior to man-made laws and institutions. This conception of reality has no more been discredited than has the law of gravity. Nor does the possibility that these laws may differ somewhat upon the moon make any difference to our present existence upon earth. In order actually to discredit the natural rights doctrine, it will be necessary for thinkers to demonstrate that we do not live within a confining reality. Let them undertake flight on our planet without attention to the laws of aerodynamics. Let them show that they can bestow goods without taking them from their actual producers. Let them create rights which will not impinge upon earlier rights and do not affront man's sense of justice. Let them submit their Economic Bill of Rights phrased in the legal language which would permit their embodiment into law as Constitutional Amendments, and let us judge whether or not they would result in an abrogation of the original Bill of Rights.

Mutually Exclusive Concepts of Rights

Natural rights and arbitrary rights cannot exist side by side in the same society; they are mutually exclusive. Every effort to create new rights in the twentieth century has already resulted in a diminution of natural rights as understood in the eighteenth century. There is an inverse ratio between the right of Americans to the fruit of their labor and the right of all Americans to a decent home. The truth of this statement is spelled out on the deduction side of Everyman's pay check.

Most serious of all is the fact that if government can create rights, it can withhold and destroy rights. The practical consequence of this fact is that if rights are derived from govern-

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ments, there are no rights. Governmental favors may masquerade as rights. They may even assume a semblance of constitutionality. But such favors are instruments of power; they are arbitrary "rights" granted under the exigencies of the circumstances, subject to recall and change when circumstances change. If it is expedient for every American to have a decent home today in view of the threat of international communism, it may be necessary tomorrow for many Americans to be reduced to abject poverty in order not to incite the envy of the rest of the world. In short, when rights are arbitrarily created, there are no rights. The extent to which we have accepted the belief that children have a right to education, that farmers have a right to a parity of income, that all have a right to the latest medicine, and so on, is the measure of the extent to which we have yielded up our natural rights. It is the degree to which we have sold our heritage for a mess of pottage. ◈

IDEAS ON LIBERTY

Supporters of Schemes

THE HARD-WORKED and over-burdened who form the great majority, and still more the incapables perpetually helped who are ever led to look for more help, are ready supporters of schemes which promise them this or the other benefit by State-agency, and ready believers of those who tell them that such benefits can be given, and ought to be given. They listen with eager faith to all builders of political air-castles, from Oxford graduates down to Irish irreconcilables; and every additional tax-supported appliance for their welfare raises hopes of further ones. Indeed the more numerous public instrumentalities become, the more is there generated in citizens the notion that everything is to be done for them, and nothing by them. Each generation is made less familiar with the attainment of desired ends by individual actions or private combinations, and more familiar with the attainment of them by governmental agencies; until, eventually, governmental agencies come to be thought of as the only available agencies.

HERBERT SPENCER, *The Man Versus The State*, 1884

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ROBERT G. ANDERSON

ALONG THE BANKS of Pithole Creek in Western Pennsylvania lies a deserted field overgrown with weeds. One hundred years ago it was the same. A casual glance might suggest that the place had not changed in the intervening years, but closer inspection reveals forgotten remnants of the once thriving city of Pithole.

Pithole's life span was but a few years. Yet, in its heyday, the city was as well-known as Pittsburgh, Detroit, or any other industrial center.

It all began in 1859 when Edwin L. Drake drilled the first successful oil well near the small town of Titusville in Western Pennsylvania. That was the beginning of a new industry – petroleum. The success of "Colonel" Drake at Titusville led to further oil drilling along Oil Creek, and during the Civil War that area grew rapidly.

Then, in 1864 a venturesome driller, I. G. Frazier, leased a farm seven miles up Pithole Creek, quite distant from the Oil Creek producing area. Early the following January, at a depth of 600 feet, he brought in a well producing 650 barrels of oil a day. The report of the new discovery brought wild speculation, but the winter was too severe for immediate new drilling.

The town was created the following spring. Thousands of people – drillers, speculators, teamsters, merchants, and Civil War veterans – came to Pithole to seek their fortunes.

The town literally "sprang up." Two days after lots in the town were offered for lease, the first building was under construction. Six days later, the *Oil City Register* reported that "nearly two entire streets are built up, and a

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Illustration: Pithole, 1865, by Mather.

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large number of buildings are in the course of construction." Pithole's first hotel, the Astor House, was built in a single day.

This feverish pace continued through the summer. Streets were laid out, a water works system installed, a fire department organized; and there were two each of banks, telegraph offices, and churches. A daily newspaper was published. There were over fifty hotels, one of which – the four-story Chase Hotel – was built at a cost of $100,000.

No census was ever taken of Pithole's population. But by July of 1865 its post office was handling 5,000 letters daily, a volume exceeded in Pennsylvania at that time in only Philadelphia and Pittsburgh. One-third of the production of petroleum in the United States that year came from Pithole. Today, by comparison, it takes practically all of Texas to produce a third of the nation's annual output.

Pithole's Decline

Pithole was an important city in 1865. Scores of new businesses had been created. Some actually produced oil, while the others thrived off the wealth that the wells created.

Then the inevitable happened. In 1866, Pithole wells started going dry, and fewer new wells were coming in. At the same time, new fields were being discovered in such places as Pleasantville, Tidioute, and Shamburg. A mass exodus took place. The drillers and speculators were followed by the teamsters and merchants. Buildings were torn down to be moved and rebuilt in other towns. Some were sold for kindling. Fires claimed much of the town.

By June of 1868, oil production had come to a standstill, with only a handful of "hangers-on" in the dying town. Today, Pithole is gone, and many people living in the locality have never heard of it.

In 1866 Pithole became, in modern terminology, a depressed area. Not only were the wells drying up, but crude oil that had been selling in 1864 for $12.00 a barrel declined to a low of $1.35 in 1866. Such low prices forced many oil producing companies out of business. Thousands of laborers were unemployed. Pithole undoubtedly was the most depressed area of that period of general depression.

Much is heard nowadays about depressed areas in the United States. Newspapers picture shabby homes and families and tell of jobless workers and their hungry children. But they go on to report federal aid to the rescue, and herald the President's "coupon plan" as having struck at the "real root" of the problem.

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There was no large government to come forth with aid and assistance at Pithole's time of need. But suppose there had been; consider what might have happened!

One possibility would have been government purchase of crude oil – price support via an "oil bank" – with barrels of surplus crude oil as wheat is stored today. Or, the government could have subsidized the Oil City and Pithole Railroad – just in case it might be needed for national defense. Had there been sufficient unemployment compensation and gifts of food, Pithole might still be populated today.

No one knows for sure what might have happened to Pithole and the petroleum business if government had intervened, but we do know what happened otherwise. A city disappeared because it no longer had economic value or reason to exist. And an infant petroleum industry expanded its annual output from 2.5 million barrels in 1865 to 2.5 billion barrels in 1959. If government had intervened to "protect" them, it might have saved the dying Pithole; but who knows what "help" of this kind could have done to the emerging oil industry?

There are at least three ways in which a so-called depressed area develops: (1) the goods or services it offers may be available elsewhere at less cost; (2) the goods or services it offers may no longer be wanted; (3) the area may have lost its capacity to produce. Pithole qualified in all three ways – its oil wells were drying up, oil was being produced more economically elsewhere, and – without its oil wells – there was no longer any use for the hotels and other services in the town.

It would have been possible, no doubt, to pump tax-collected funds into Pithole, to drill more wells or deeper ones, to subsidize various service industries, and otherwise nurse and coddle that dying community. But would it have been worth while to thus defy the market demand for change and progress?

A depressed area is a sign of inefficiency and of failure to satisfy the most urgent and always changing demands of consumers. It is a sign that capital and managerial talent have turned to new and better opportunities to satisfy consumers and earn profits. And it is both an invitation and a challenge to workmen to follow suit.

When government tries to defy such change, it penalizes efficiency and rewards failure, pours good money after bad, and changes the name and character of the subsidized community from Pithole to "rathole"! ◈

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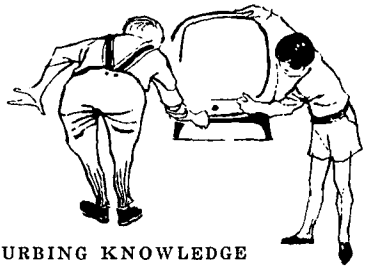

PAINLESS TAX REQUIREMENTS

or — FREEDOM FROM DISTURBING KNOWLEDGE

When window lights were blinking out
In every shop and store,
Old Kaspar stacked the supper plates
And barred the kitchen door,
While Peterkin and Wilhelmine
Looked at the allegoric screen.

They saw a room where lines of men
With blindfolds on their eyes
Were filing past a row of desks
And whispering replies
To clerks who juggled endless swarms
Of numbers on the printed forms.

"Is that some kind of numbers game?"
The little children cried.
"It is the Federal Income Tax,"
Old Kaspar soon replied.
"A man just tells how much he earns
And signs the finished tax returns."

"But why are all the blindfolds worn?"
Demanded Peterkin.
"They act as tranquilizers, Pete,"
Said Kaspar with a grin.
"We don't want folks to be disturbed
By things they'd see with sight uncurbed."

"An income tax," said Kaspar then,
"With steep progressive rates
Is what the communists prescribe
For these United States.
It wouldn't do for folks to see
A tax that fills the Reds with glee."

"Does no one ever dare to peek?"
Asked little Wilhelmine.
"A few have peeked," Old Kaspar sighed,
"And broadcast what they've seen.
But such Extremists of the Right
Are known for their defective sight."

H. P. B. JENKINS
Economist, Fayetteville, Arkansas

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DEAN RUSSELL

UNITED We Fall

ONE HUNDRED YEARS AGO, the most perfect "United Nations" the world has ever known erupted into war. That organization had everything (and then some) that anyone could possibly desire to insure the success of a central government for a group of independent states.

The members of that particular United Nations all spoke the same language. And they still used every weapon known to man to exterminate each other.

They had the advantage of a common religious, racial, and cultural background. And for four years, they slaughtered each other at every opportunity.

There were no restrictions against travel or trade among the member states. And still they did a superior job of killing each other.

They had a "Charter" that was generally recognized as ideal for the purpose of uniting independent nations. And still they fought each other in one of the most destructive wars in history.

For years, the member states openly debated the issues that divided them. But as always happens when truly vital issues are discussed by large groups of politicians in public, the resulting inflammatory speeches for "history and home consumption" made the situation worse instead of better.

Those United Nations had the most favorable opportunity yet known to man to prove the thesis that a formal organization can unite nations and preserve the peace when there is a major difference in the philosophies and aims of the member states. And as any objective student of history and government could have predicted, events proved once again that it never works.

You know, of course, that I am

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referring to the United States and our Civil War. But the same story (in essence) has happened hundreds and thousands of times throughout history – in Greece, in China, in France, in Russia, everywhere and in all ages.

But in spite of that sad history, millions of my fellow citizens continue to put their entire faith in the United Nations as an instrument for world peace. "The United Nations is our last hope to avoid war," they sincerely plead. "Thus we just must support it, whatever the cost."

As an all-too-human effort to escape from the reality of the frightful situation in which we find ourselves, and from the fearful decisions that must be made, that attitude is easily understandable. Naturally, I hope and pray that it will work out; instinctively, I also always hope that the desperate gambler will win at the races or at poker in his last frantic and unrealistic effort to avoid bankruptcy and the suffering that it would bring to his innocent children. That humane feeling, however, doesn't induce me to turn to the horses as a sound method to provide for my family, nor to a fabricated and unnatural organization to preserve peace.

The reality of our situation is this. The peace of the world and the future of mankind rests today on one issue, and on one issue only: Can Russia and the United States co-exist on the same earth. I do not know the answer; I know only that our childish faith in a sterile organization has prevented us from facing the issue realistically. Worse yet, it may already have deprived us of any chance for victory if the final answer proves to be no.

Fundamental Differences in Philosophies and Goals

The time for wishful thinking is long past. The Russian and American camps are separated by fundamental philosophies and goals, not by the absence of a place to meet and to record any agreement the leaders may accept.

The Russians are aware of this. That's why they have always realistically tolerated and used the United Nations when it advanced their cause, and denounced it totally when any decision went contrary to their wishes. Let us also begin to view that organization objectively.

United Nations Day is Oct. 24. During the week, the event will be commemorated by the prayers and sermons of millions of sincere Christians throughout our country. Ironically, each will be asking the blessings of Jesus Christ on an institution that has specifically outlawed his authority and philos-

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ophy from all its formal proceedings.

The primary reason for this is that the leaders of Russia cannot associate themselves with any group or statement that acknowledges the existence of moral law or any concept of man beyond the material and animal level. That's why there is no mention of God in the United Nations Charter, the U. N. Covenant of Human Rights, or any other similar United Nations document. Our leaders who committed us to this "new idea" in world government readily agreed that God should be replaced by a meditation room "in the interests of world peace."

And true enough, the "myths of religion" have now been abolished and man reigns supreme in our new government of the world. It so happens, however, that since 1945 and the founding of the United Nations for freedom and peace, there has been a steady decline in freedom for individuals throughout the world. And all mankind is momentarily and constantly threatened with the most destructive war that the world has ever faced. Any educated man — that is, any person who honestly searches for fundamental relationships between causes and effects — will automatically ask himself if there is a connection. Let us start at the beginning.

The Source of Rights

In our world, there are two fundamental concepts of government and human rights: (1) the source of rights is government itself; (2) rights come from a source other than government.

These two concepts are best illustrated by the constitutions and practices of the Soviet Union and the United States. Here is a typical example from the Soviet Constitution:

"Article 125. In conformity with the interests of the working people, and in order to strengthen the socialist system, the citizens of the U.S.S.R. are guaranteed by law: (a) freedom of speech; (b) freedom of the press; (c) freedom of assembly, including the holding of mass meetings; (d) freedom of street processions and demonstrations.

"These civil rights are ensured by placing at the disposal of the working people and their organizations printing presses, stocks of paper, public buildings, the streets, communications facilities, and other material requisites for the exercise of these rights."

Under the Soviet concept, all rights come from government. And thus it is the responsibility of government to specify what they are and to provide the people with the means to exercise them.

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The other concept is found in our own Constitution: "Congress shall make no law . . . abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." And "the right of the people to be secure in their persons, houses, papers, and effects . . . shall not be violated." And no person shall "be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

Under the traditional American concept, all rights come from a source outside of government; the government is specifically forbidden to violate these pre-existing rights that belong to each individual. And since the rights do not come from government, obviously the state is not responsible for providing the people with the material means for exercising them.

U.N. Follows Soviet Model

The United Nations is unmistakably modeled on the Soviet concept of rights. To a startling degree, its official documents use the same phrasing found in the Russian Constitution. That fact is discernible in the U. N. Charter itself, but the true philosophy of the United Nations is, of course, most clearly observed in the documents and proceedings of the operating units of the organization – UNESCO, the Commission on Human Rights, and so on. Here is a random sample from the Covenant of Human Rights, sometimes referred to as "the bill of rights" of the U. N.:

"Article 21. The states parties to the covenant recognize the right of everyone to just and favorable conditions of work, including: (a) safe and healthy working conditions; (b) minimum remuneration which provides all workers: (1) with fair wages and equal pay for equal work, and (2) a decent living for themselves and their families; and (c) reasonable limitation of working hours and periodic holidays with pay."

Other sections of that covenant specify the right of everyone to "social security," "adequate housing," "medical service," and so on. And all of them are paraphrased from the Soviet Constitution. Under the United Nations concept, all rights clearly come from government, and the government must thus provide all the people with the material means to enjoy them.

As the chairman of the Human Rights Commission, Dr. Charles Malik, said, "I think a study of our proceedings will reveal that the amendments we adopted to the old texts under examination re-

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sponded for the most part more to Soviet than to Western promptings."

A Mistake To Have Joined; Worse Yet To Stay With It

We American people sponsored and endorsed a completely alien concept of government when we joined the United Nations. But such a dramatic change seldom, if ever, happens overnight. John Adams was referring to that idea when he pointed out that the American Revolution was not the war itself – "that was only the effect and consequence of it." The revolution occurred in the minds and hearts of the people, "and this was effected from 1760 to 1775, before a drop of blood was shed at Lexington."

Likewise, I am convinced that we American people really "joined the U.N." from 1930 to 1945, as we increasingly rejected the traditional American concept of government as a protector of pre-existing rights and decided instead that the government should become the source of rights.

If that is what we really want, we can have it. I am convinced, however, that only a frantic search for world peace keeps us from seeing the United Nations for what it really is – a golden calf that induces blind worship instead of objective reasoning.

The issue that today threatens to plunge the world back into barbarism is whether the dictatorial and closed society led by Russia shall prevail over the democratic and open society led by the United States. And surely no one will claim that the United Nations is going our way; over the years, the margin of our so-called "victories" has decreased to the vanishing point in that organization. And the soon-to-be-expected admission of Communist China will complete the process beyond recall.

Worse still, our hasty and questionable United Nations policy of supporting any and all revolutions in a futile attempt "to win the friendship of the new and uncommitted nations" has cost us the traditional friendship of Britain, France, The Netherlands, Portugal, and perhaps others. (The fact that they may still support us in case of war with Russia will be because they don't really have any other choice.) In return, we have gotten mostly abuse and demands for more money from the new nations. It is high time we gave some consideration to the interests of the United States instead of the United Nations. Let us get out before we are dragged under. ◈

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A SHORT HISTORY OF INFLATION

CECIL V. GROVE

GOVERNMENT OFFICIALS of post-World War I Germany deliberately embarked upon a policy of monetary inflation as a means (they thought) of solving the country's economic difficulties. They assumed that inflation could be controlled and that "a little inflation" would stimulate business and make for a healthy economy.

The inevitable results of such criminal tinkering with a nation's economy are starkly revealed in these figures from a German history book (*Um Volksstaat und Völkergemeinschaft* published by Ernst Klett, Stuttgart, 1961, page 149):

PRICES IN GERMANY (in Marks)

	1914	*1918*	*1922*	*1923* *Summer*	*1923* *November*
Potatoes (pound)	.04	.12	80	2,000	50,000,000,000
Egg (one)	.08	.25	180	5,000	80,000,000,000
Beer (glass)	.13	.17	60	3,000	150,000,000,000
Meat (pound)	.90	2.00	1,200	90,000	3,200,000,000,000
Butter (pound)	1.40	3.00	2,400	150,000	6,000,000,000,000

Out of the economic chaos thus created came Hitler, World War II, and the omnipotent governments threatening our world today. The current crisis in Berlin is but another manifestation of the continuing conflict between insatiable government and freedom-oriented individual man. The nature of that conflict has not changed over the past six thousand years. ◈

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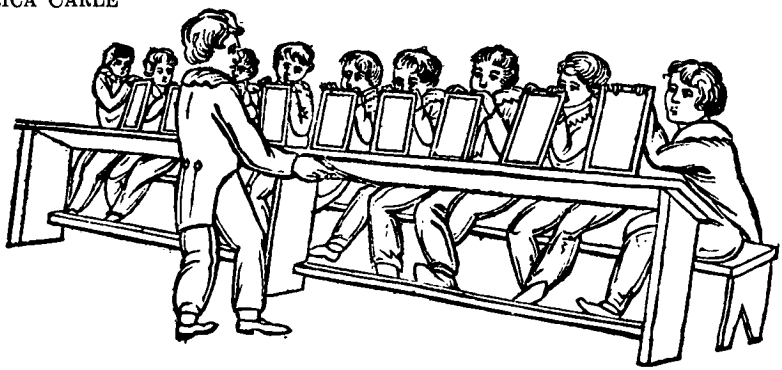
ERICA CARLE



Education Without Taxation

THOUGH MANY have pointed to shortcomings in our system of compulsory education in the United States, most persons believe that tax-financing is essential if education is to be made available to all children. But suppose that one teacher could assure the elementary education of from 500 to 1,000 children at a time! And if this could be done in one large classroom, thus eliminating expensive school construction, the taxpayer might be relieved of a considerable burden.

Unbelievable as it may seem today, there was a teacher who not only managed the education of up to 1,000 children at once, by his own efforts, but who also taught hundreds of other teachers from all over the world to do the same.

In 1798, at the age of twenty, this educational genius opened his first school in London. At a time when education for the poor was almost unheard of, Joseph Lancaster invited factory workers, miners, peasants, even paupers to send their children. And the little ones came, often barefooted, ragged, and hungry – some eager, many skeptical at first. With remarkable speed, the youngsters began to read, spell, write, and figure. Those thought to be the least promising children of London blossomed into scholars. Well-disciplined and responsible, they applied themselves with enthusiasm and orderliness, outdistancing

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students in the very best schools of that day.

Lancaster's school outgrew one accommodation after another, and by the time he was 21, he had designed and erected his own building. The sign outside the new establishment read: "All that will may send their children and have them educated freely; and those who do not wish to have education for nothing, may pay for it, if they please."

Word spread throughout England, Europe, even North and South America, that on Borough Road in London, one Quaker schoolmaster was teaching a thousand pupils of all ages to read, write, and figure.

A Sight To Behold

How could it be done? Visitors crossed mountains, oceans, and continents to learn the secrets. Those who came described what they had seen, "An orderly and beautiful spectacle.... The children were full of joyful animation in performing duties agreeably varied from hour to hour. . . . The master had complete control. In an instant the whole hubbub could be stopped by the word, "Halt!"

Lancaster began by teaching fundamentals to a few of the most promising older boys. As soon as a lad achieved the required degree of proficiency, he became a monitor with the responsibility of devoting part of his time to teaching a class of ten younger children. There were monitors for reading, writing, arithmetic, spelling. In addition monitors took attendance, ruled paper, gave exams, and promoted pupils. Assistant monitors stood by to take over teaching chores when the senior monitor received his own instruction.

Pupils were promoted immediately and individually upon achievement of the required work. They advanced, subject by subject, so that a bright speller moved forward as fast as he learned his words; in arithmetic one advanced as quickly as his skill and enthusiasm impelled him. Small classes provided a constant challenge, for, if a student missed a question, another who discovered the error assumed the former's place at the head of the class.

Lancaster developed an alphabet wheel, pioneered the use of individual slates, used reading sheets as a substitute for then-scarce books. Lesson books in arithmetic were his own creation. There were sand tables on which tiny fingers traced the letters of the alphabet.

All the senses were stimulated at once. The children saw words written by the monitor, and read them aloud as they, themselves,

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wrote; then all held up individual slates for correction.

About the room were posted brief mottoes and slogans to inspire the pupils. Lancaster originated a few of his own: "Let every child at every moment have something to do, and a motive for doing it." "A place for everything, and everything in its place."

On holidays the schoolmaster took his children on long hikes through the woods, teaching about, and enjoying, the wonders of nature. On Sunday evenings he frequently invited large groups of students to tea for informal discussion and brief lessons from the Bible. To Joseph Lancaster, living meant to teach, and he rejoiced in his achievements. Nothing pleased him more than the thrill of awakening a young receptive mind to a love of learning.

The System Spreads

It wasn't long before others patterned schools after his, and former pupils became masters of their own monitorial schools. Lancaster was much in demand for lectures, discussions, and consultation on his system.

Donations increased, and among the growing number of supporters were many famous and influential Britons: the Duke of Bedford, the Duke of Kent, Lord Somerville, Robert Owen. In 1805, an audience with George III resulted in yearly contributions from members of the royal family.

The system was also being exported with remarkable success. New York City was the center of greatest activity in the United States. In 1805 a private group, called the New York Free School Society, was formed under the leadership of DeWitt Clinton, later Governor of New York. Clinton's remarks in an address some years later add credence to stories of the effectiveness of Lancaster's system:

"When I perceive that many boys in our school have been taught to read and write in two months who did not before know the alphabet, and that even one has accomplished it in three weeks – when I view all the bearings and tendencies of the system – when I contemplate the habits of order which it forms, the spirit of emulation which it excites – the rapid movement which it produces – the purity of morals which it inculcates – when I behold the extraordinary union of celerity in instruction, and economy of expense – and when I perceive one great assembly of a thousand children under the eye of a single teacher, marching with unexampled rapidity, and with perfect discipline to the goal of knowledge, I confess that I recognize

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in Lancaster, the benefactor of the human race."[1]

It is difficult to understand how a system of education which was once so popular and successful could be almost completely forgotten. If, as history seems to indicate, Lancaster's system was effective, why isn't it used today?

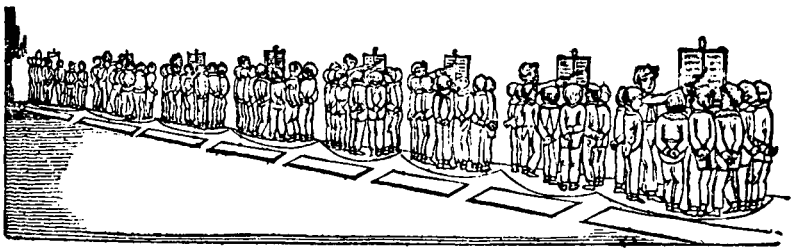
With Occasional Setbacks

The answer lies partly in factors beyond his control, partly in success that was too great, and partly in his own personality: for, while Lancaster was a genius at educational organization, he was a great deal less gifted in his talent for balancing financial accounts. He tried to do too much! When he saw that some of his boys were coming to school hungry, he raised subscriptions to enable him to give them a hearty meal every day. Many of the monitors were from other areas and lived with Lancaster as part of his "family" until they were ready to leave and establish their own schools. Bright scholars were rewarded with handsome gifts: books, medals, and toys. Much of the equipment used, such as slates and slatepens, had to be made in small factories he was compelled to establish.

He opened a printing office for textbooks and pamphlets. The expected profit from his many enterprises did not materialize. The financial picture was so bad in 1808 that Lancaster went to debtor's prison.

Friends later obtained his release, and soon thereafter the

[1] This and subsequent references are listed at the end of the article.



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schoolmaster, with some misgivings, allowed his friends to take over the financial arrangements for his enterprise.

At first, little real change took place. Between 1807 and 1810 Lancaster traveled over 7,000 miles, spoke 140 times and established nearly 100 new schools for 25,500 pupils.[2]

Financial difficulties continued, however. In addition, new complications arose. Despite the fact that all his reading lessons were taken from the Bible, Lancaster steadfastly refused to allow his schools to be used for the promotion of any particular religious denomination. For this stand, he aroused the fury of a vocal faction of the Church of England.

Particularly incensed after Lancaster received the King's patronage, Mrs. Trimmer – an educationist and writer – attacked the schoolmaster with venomous intensity. He was damned and degraded in print, on the platform, and from the pulpit. He was called a destroyer of religion, a goliath of schismatics, an infidel and atheist. Fear was expressed that education would slip from the hands of the Church into those of this Quaker imposter.

Mrs. Trimmer consulted Dr. Andrew Bell, a former missionary, who had used a similar system with remarkable success in India. The missionary schoolteacher had no quarrel with Lancaster, who had freely acknowledged his debt to Bell for some features of his own system. Mrs. Trimmer, however, stirred sufficient fear and jealousy that in 1811 a rival education group called "The National Society for Promoting the Education of the Poor in the Principles of the Established Church" was formed under the direction of Dr. Bell.

Controversy Arises

With the turmoil, Lancaster's schools lost some supporters, but many Church of England members remained loyal to his cause. Lancaster and Bell themselves remained aloof from the controversy, but bitter public arguments charged with emotion developed between the advocates of the rival systems.

For Lancaster, personally, the unexpected animosity was upsetting. Yet, the long-range result of the heated, bitter competition was a race to create more schools and better schools and to serve greater areas.

Andrew Bell's original philosophy had been that the poor should not be over-educated, since it would tend to make them unhappy with their station in life. Yet, there was the competition of the Lancasterian system feeding little

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ones knowledge just as fast as they could digest it.

Sometimes, the very rate of learning in Lancaster's system caused alarm. In one case an anxious father consulted the clergyman of his parish with the complaint that his children were learning so much, so fast, only witchcraft could produce such results.[3]

Taken Over by Friends

In 1810, Lancaster spent six months in Ireland and returned jubilant with the success of his trip. In his absence, however, and without his knowledge or permission, the committee which managed his financial affairs had been greatly enlarged. The work was no longer his own venture. His status had been reduced to that of paid employee. Many difficulties and disputes followed, until in 1814 Joseph Lancaster and the friends who had "helped" him went their separate ways.[4]

By this time Lancaster had awakened many to the fact that it was possible to do a creditable job of education at very little expense; and education was becoming a lively political issue. The government began to conduct surveys, promote its own ideas, and even tried to appoint school inspectors. The first reaction to interference was so violent that inspections were seldom made. Later, however, Parliament voted financial aid to the British and Foreign Society, as it was now called, and the competing National Society. The contributions were eagerly accepted. Thereafter, schools were compelled to comply with the inspection edict. Next to go was the monitorial system; the end of Lancaster's idea in England came in 1847 when the Society accepted government assistance for the training of teachers.[5]

In New York City

Meanwhile, New York City's educational history had followed a similar pattern. As the Free School Society's first school began to grow out of its original quarters, a new location was needed. The City of New York donated a larger building on the condition that children at the almshouse be educated.[6]

On February 27, 1807, New York State joined hands in the educational effort. A law was passed appropriating $4,000 to the society's building fund, plus $1,000 per year for general expenses.[7]

In 1812, as education was moving along nicely, the legislature appointed a representative to look after the state's money. In January 1813 Gideon Hawley took office as the nation's first State Superintendent of Schools. In the same

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legislative year, the principles were established of permissive taxation by local communities for school buildings, and that a teacher must have certain moral and scholastic qualifications to be determined by local authority.[8]

In 1818 Joseph Lancaster determined to begin life anew by viewing the development of his system in the New World. He received a hero's welcome, spent many happy days viewing the schools and expressing approval or disapproval. He was elated by the warm enthusiastic reception from the students themselves.

Lancaster spent much time in New York, as well as Philadelphia, Boston, Montreal, even Caracas, Venezuela, at the invitation of Simón Bolivar. He made as many enemies as he did friends. Among Lancaster's most outspoken foes were many teachers. While some viewed the system as a personal challenge, an exciting adventure in education, others believed they were suffering a humiliating indignity in being reduced to the supervision of "transient, ignorant, and unskilled monitors."[9] Despite such opposition, Lancaster retained his enthusiasm and confidence in his system and was planning a return to England to revitalize it there, when a wagon struck and killed him in New York City in 1838.

Four years later the Board of Education of the City of New York was created, established its own schools, and took over responsibility for education. Fearing the effect of total political domination of education, the Free School Society, which had earlier been renamed Public School Society, continued to operate. But laws permitting taxation for schools had already given the city a seemingly unlimited source of revenue. Economy no longer seemed necessary, or even desirable. In 1846 the Education Department banned the monitorial system in favor of pupil-teachers, and in 1853 the Public School Society merged with the city system.

Today

Today, many view the political system of education in the United States with dissatisfied, but resigned, acceptance. It is inadequate and expensive and hasn't lived up to its most modest promises. There is no evidence that we are better citizens, that we are troubled by fewer criminals, or even that we have a more peaceful world through knowledge. In many cases the very basics of reading, writing, and arithmetic have been imparted with a good deal less than phenomenal success.

While the politician may have been a well-meaning, though

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crafty, suitor in the cause of universal education, premarital promises have been forgotten or overlooked.

That no one would have educated the poor if "society" had not assumed the responsibility, has been accepted as a proven truth. In the United States we have been told for more than 100 years that tax-supported, political, compulsory, secular education is one of the great social reforms. Yet, had universal education not been pushed into a hasty marriage with the politician, methods developed by Joseph Lancaster might have survived. His system succeeded once in turning out eager, well-disciplined, helpful, moral, and brilliant scholars. Perhaps one day it will be needed and allowed again. ◈

FOOTNOTES

1 *The Life and Writings of DeWitt Clinton* (Baker & Scribner, 1849), p. 318.

2 Henry Bryan Binns, *A Century of Education, 1808-1908* (London: J. M. Dent & Co., 1908), p. 45.

3 *Ibid.*, p. 19.

4 *Ibid.*, p. 65.

5 *Ibid.*, p. 162.

6 Albert Ulmann, *A Landmark History of New York* (N. Y.: D. Appleton Century Co., 1939), p. 184.

7 *The Life and Writings of DeWitt Clinton*, p. 320.

8 Edgar W. Knight, *Education in the United States* (Ginn & Co.), p. 287.

9 *Encyclopaedia of the Social Sciences* (Macmillan & Co., 1933).

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WHO Fixes Milk Prices-- Anyway?

ANTITRUST OFFICIALS of the Justice Department are in Chicago, seeking to learn whether there is price-fixing in the milk supply of the city. There certainly is, as they could have found out before leaving Washington.

Whether Chicago's dairies are fixing retail prices will not be learned for some time. But the federal government, through the Department of Agriculture, administers farmers' price-fixing arrangements covering Chicago and 79 other areas all over the country.

The government's labor laws also have made it possible for two dairy unions to fix the price of labor that all Chicago dairies must pay. Currently, these unions are negotiating for more wages and benefits, seem certain to get them, and will contribute to the rising price of dairy products.

Whole milk and labor are the chief costs in the price of dairy products. There seems to be little the dairy owners can do about prices with their principal costs price-fixed by others with federal sanction.

If they are fixing prices within such discretionary limits as are still open to them, they are assured of convictions and fines and perhaps will receive sentences.

But the farmers' and the dairy workers' larger activities in price-fixing will continue.

Indeed, the individual farmer or dairy worker is forced to enter price-fixing arrangements, or be penalized.

The effect on the public of price-fixing is the same, no matter who does the fixing. ◈

Editorial from the *Times Bulletin*, Van Wert, Ohio, August 8, 1961.

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UNDERSTANDING PROFITS

WHEN Claude Robinson died last summer, he left a host of friends. He also left two thriving businesses, the Opinion Research Corporation and a second research company, the renowned polling firm of Gallup and Robinson. The friends will, in due course, die in their own turn, and the business firms will move to the touch of other directing hands. But whenever a student of economics is seeking light on that most controversial of economic concepts, the concept of profit, he will, inevitably, find himself compelled to reckon with the book, *Understanding Profits* (Van Nostrand, $13.75), which Claude Robinson completed just before his untimely end. This is worldly immortality enough for any man.

Understanding Profits is a first-rate job for many reasons, not the least of which is that it deliberately avoids the polemic note. The mark of Dr. Robinson's researcher calling is on the opening chapters, for the book begins by interrogating the public, including the labor leaders, in order to define the popular "image" of profit and the profit-seeker. The result of Dr. Robinson's public opinion survey offers a weird commentary on the average American's ability to correct his semantics by the application of simple arithmetic.

On the one hand, the public's "guess" is that profits on sales are some four times what they actually are. On the other hand, this same public responds in crazily inconsistent terms to different arithmetical ways of posing an identical question about profits. A given company earned $18 million profit, net after taxes. Another company earned 6 per cent after taxes on $300 million sales. Obviously, 6 per cent of $300 million is $18 million. Yet 38 per cent of the people in a given public opinion sample told Dr. Robinson's interviewers that $18 million represented "too much" profit, whereas only 19 per cent regarded "6 per cent on $300 million sales as 'too

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much.'" Fourteen per cent thought $18 million profit a "reasonable" amount – but when the question was posed in terms of "6 per cent on $300 million sales," 69 per cent were willing to grant the reasonableness of the figure.

Patient Explanations

An H. L. Mencken, at this point, would have murmured something about boobs and dropped the whole struggle to correct popular misapprehensions. But Claude Robinson was not a despairing man. Patiently addressing himself to arithmetical delinquents, he offered charts and clear expository language to break through the mathematical fog. Any reasonably attentive reader of his book can hardly fail to go away from it with the idea that capitalistic profits, over the years, have been reasonable enough. The average factory worker, as Dr. Robinson says, gets 84 per cent of the money paid out either to employees or credited to stockholders as profits. Manufacturing companies "crossed the finish" line on December 31 of 1958 with an aggregate profit of 3.9 cents per dollar of sales and 8.6 cents per dollar of investment for the decade that ended on that date.

Dr. Robinson suggests that these are hardly "lush" figures. An even more sobering statistic is that some 45 per cent of the corporations reporting to the U. S. Treasury during the "roaring" decade of the twenties lost money in the big boom years. After World War II, in the middle of another boom, the number of companies reporting losses hit 40 per cent. For every dollar gained in the 1920-40 period, forty-five cents were lost. So we have, not a profit system, but a profit-and-loss system.

Dr. Robinson shows in patient detail what companies have to overcome in order to make a profit. He also demonstrates the futility of trying to "redivide" a pie which already yields 84 per cent of its substance to the worker. The companies that make the best profit usually pay the best wages, charge the lowest prices, and offer the most superlative quality to the consumer. If workers were rational, then, they would cheer bigger profits for their employers.

The Social Functions Performed by Profits

Far from being selfish, profits have social functions. One social function of profits, as Dr. Robinson explains, is to direct capital investment to where it is most needed or most effective. Another is to provide incentive to risk-takers. Still another is to give the workman the most efficient tools.

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If there were no such thing as profit, the economic system would be at sea without a rudder. As for the "social control" of profits, that is provided by competition. Dr. Robinson offers a qualified judgment on "legislation" as a "social control." He tends to look with favor on antitrust legislation provided that it is in "harmony" with economic realities – i.e., set up to curb departures from "workable competition."

As for social control as applied by "fair trade" laws, government price fixing, the imposition of quotas, and the attempt to tax away "super-profits," Dr. Robinson looks on all these with a completely skeptical eye. Even in wartime they do not work as they are supposed to work. In the case of "natural monopolies" – electric power, the telephone system – Dr. Robinson presents the case for government regulation of rates. But he notes to what absurdities "regulation" can go when a supposed "natural monopoly," such as the railroads, suddenly becomes a competitive business. When trucks started thundering over the highways and airplanes began moving through the air, the Interstate Commerce Commission should have shut up shop, for it was no longer the warden of anything that could properly be described as a "monopoly."

"Administered Prices"

Some of the best pages in Dr. Robinson's book are devoted to the cloudy subject of the "administered" price. When a given market is dominated by a few "oligopolists," which is the fancy word used to describe a Big Three or a Big Four, writers like John K. Galbraith blithely assume that the "big fellows" can choose "profitable and comfortable stagnation." Well, they might hope to be left in peace to make routine profits. But those who put their trust in sheer market dominance are generally marked for a fall. The growing popularity of the compact car is proof enough that "oligopoly" cannot afford to think the consumer has been nailed down forever to one standard of product.

As a matter of fact, our "oligopolists" have been far less slothful than many businessmen who operate in the sphere of what has been called "perfect" competition. Take aluminum, for an extreme example. Even when there was only one big aluminum company, Alcoa, the volume rose, the uses of the product proliferated, and the price dropped and dropped again. In 1900 five million pounds of aluminum were produced; by 1959 production had risen to thirty-nine hundred million pounds.

Aluminum had to strive competitively every step of the way.

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It fought copper for the empire of electrical transmission. When aluminum was used primarily for kitchen utensils, there was brass, iron, and glass to contend with. Now that it is going into door and window frames and roofs and sidings – and even into an all-aluminum house – aluminum has to battle it out with wood, plastics, stainless steel, cement blocks, and a whole host of traditional building materials. Never any rest – and now that there are three big aluminum companies, Alcoa, Reynolds, and Kaiser, all busy fighting each other for the market, the temptation to sloth would be absolutely fatal.

Dr. Robinson offers the Du Pont Company as another example of the "oligopolist" that has had ceaselessly to innovate in order to remain a profit-maker. The Du Pont Company might have sought "profitable and comfortable stagnation" when it developed nylon and cellophane. But it realized that if it trusted to its patents in these two products, other companies might come up with better fabrics and wrapping materials deriving from entirely different patented processes. So it chose to forego expansion of its nylon and cellophane manufacturing facilities. Licensing Chemstrand to produce nylon and Olin Mathieson to make cellophane, Du Pont put its development capital into other promising ventures, such as orlon and delrin. By keeping its eggs distributed in several baskets, Du Pont thus insured itself against decline in any single line. Does this sound like "profitable and comfortable stagnation"?

"Profit-Sharing" Plans

Dr. Robinson offers a chapter on profit-sharing schemes, which he thinks work best for small, closely-held companies which have reason to prefer the contingent costs of deferred profit sharing to the fixed costs of orthodox pension plans. He has another first-rate chapter on the ethics of profit making. The morality of profits should be apparent to anyone who thinks it important to give more rather than fewer souls a chance to live above the poverty line. Where there are no profits, there is no growth – and every child in excess of two-per-family must, by definition, be "surplus" life.

There are pages of appendix material – charts, detailed reports on the sales and profit performances of 600 leading companies – in the back of Dr. Robinson's book. It is unfortunate that the cost of including all this material has run the retail price of the volume up to $13.75. Perhaps some foundation which believes in the profit system will subsidize its dis-

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tribution at a lesser price. Our economic "heathen" need it. Even good Christians will be helped by its salutary demonstration that profits have their place in any "social gospel" thinking that pretends to be interested in the Christian desire to make room on this earth for more human souls. ◈

▸ CREATIVITY AND ITS CULTIVATION edited by Harold H. Anderson. Harper and Brothers. 293 pp. $5.00.

Reviewed by Stephen B. Miles, Jr.

ONE of the future's most fruitful fields for the freedom philosophy may well be psychology. Long dominated by the stimulus-response jargon of the behaviorists, offshoot of the same materialism that produced communism and the welfare state, and by the contorted obsession with sex of the Freudians, psychologists are now pointing to "The Miracle of Individual Responsibility" – as Carlton Williams put it in a recent FREEMAN – even when still far from facing its implications in economics and government.

This freshening of psychological thought is seen to good advantage in *Creativity and Its Cultivation,* edited by Harold H. Anderson. Of the 14 essayists, eight are psychologists – nine if we include Edmund W. Sinnott of Yale, who calls himself a biologist but who finds in all life qualities usually conceded only to the mind of man.

"The creative process," says Carl R. Rogers of the University of Wisconsin, "is the emergence in action of a novel relational product growing out of the uniqueness of the individual on the one hand and the materials, events, people, or circumstances of his life on the other." He further says: "Many, perhaps most, of the creations and discoveries which have proved to have great social value have been motivated by purposes having more to do with personal interests than with social value, while on the other hand history records a somewhat sorry outcome for many of the creations [various utopias, Prohibition, etc.] which had as their avowed purpose the achievement of the social good. No, we must face the fact that the individual creates primarily because it is satisfying to him, because this behavior is felt to be self-actualizing. . . ."

Elsewhere in his essay, Dr. Rogers speaks of the necessity of "psychological freedom" for creativity, and describes it as "permission to be *free* [italics his], which also means that one is responsible. The individual is as free to be afraid of a new venture as to be eager for it; free to bear the consequences of his mistakes as well as of his achievements. It is this type of

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freedom responsibly to be oneself which fosters the development of a secure locus of evaluation within oneself, and hence tends to bring about the inner conditions of constructive creativity."

"Now," this reviewer thought, "the professor will certainly have to say a few words about how a coercive government suppresses freedom, and how the welfare state destroys individual responsibility" – especially since he was addressing himself to the problem, "How can we establish the external conditions which will foster and nourish the internal conditions described above?" But does he? No. To be sure, Dr. Rogers' field is psychology, not political science or economics. But he does feel free to essay a brief criticism of business: "In industry, creation is reserved for the few – the manager, the designer, the head of the research department – whereas for the many life is devoid of original or creative endeavor."

Repeatedly throughout this and other articles, the psychologists tended to approach the libertarian point of view. When they came up to it, they didn't exactly back off, but neither did they follow through. However, such comments as these and Dr. Anderson's contrast between "social development" and "socialization" augur well for a carry-over in the future. "Social development," Anderson says, relates "to the mutual discovery of common purposes" without "coercion, threat, or guilt," while socialization "can be achieved without regard for the individual and without regard for the dignity of the person," and he points out that "in the socializing process the child's differentiation or creativity" is confined within narrow limits.

While the psychologists (and lone biologist) tend to emphasize the close relationship between creativity and the freedom of the individual, other contributors to this volume seem mainly bent on sharpening the clichés of socialism, or other axes, on the grindstone of creativity. Dean Stoddard of the School of Education at New York University endorses progressive education and expresses his preference for world government. Harold D. Lasswell, professor of law and political science at Yale, sets up a division of creativity, "recognition of innovation," which could serve as a potent weapon of social reform. For instance, he applies the adjective "creative" to "cultural expansion," and then asks: "To what extent has business failed to recognize creative cultural expansion?" Rollo May, a psychologist in private practice, criticizes the older depth-psychological and psychoanalytic theories of creativ-

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ity which use that magic term to substantiate a preconceived doctrine, attempt to reduce creativity to some other process, or discredit it by calling it neurotic.

In another recent book, *Professional Creativity* (Prentice Hall, 260 pp.), the author, Eugene Von Fange, an engineer at General Electric, somehow leaves the impression that creativity in business is the monopoly of the engineer and the scientist, and that managers are "uncreative."

While the bulk of the Von Fange book consists of helpful hints to technical people on human relations, planning and scheduling, specification writing ("In writing specifications we should avoid wording that is misleading, ambiguous, or subject to any misunderstanding"), trouble-shooting, the art of talking to a manager, and other vicissitudes of an engineer, the early chapters contain a number of valuable insights, notably in connection with his definition: "All thinking is mentally directed creativity." Much more meaning would attach itself to the concept of "thinking" if Von Fange's observation that "we think only when we wish to achieve a conclusion that, by implication, did not exist before" were widely accepted. He presents a quotation from the Abbé de Condillac that could well be studied by some of the intellectuals in the Anderson book and by New Deal-Fair Deal-New Frontier "liberals" who want to brush up on their creativity:

"There is but one remedy by which order can be restored to the faculty of thinking; this is, to forget all that we have learned, to trace back our ideas to the source, to follow the train in which they rise and . . . frame the human understanding anew.

"This remedy becomes the more difficult in proportion as we think ourselves the more learned." ◈

▸ LETTERS OF H. L. MENCKEN, selected and annotated by Guy J. Forgue. New York: Alfred A. Knopf. 506 pp. $7.95.

Reviewed by Robert M. Thornton

READING OLD LETTERS to and about authors long since dead might sound like a chore, but any such notion is quickly banished from the mind once the reader succumbs to the irresistible charm of their author. For 506 pages this reviewer reveled in the magnificent prose style of one Henry Louis Mencken. This is the first collection of Mencken's letters to be published, and one hopes most fervently that it will not be the last.

Faced with the task of selecting from many thousands of letters, Mr. Guy J. Forgue, editor of this volume, has "chosen to restrict this selection to the best of Menck-

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en's *literary letters,* along with a number of others that best express his *personality* and give the most vivid and lifelike picture of the man and his literary activities." This is but one of H. L. M.'s facets. Maybe next Mr. Forgue might put together a collection of letters that best express H. L. M.'s ideas on politics and politicians.

Henry Mencken would be called an extreme libertarian today – to the right of Goldwater! "I believe," he said (to Hamilton Owens), "in only one thing and that thing is human liberty. If ever a man is to achieve anything like dignity, it can happen only if superior men are given absolute freedom to think what they want to think and say what they want to say. I am against any man and any organization which seeks to limit or deny that freedom." When Owens asked if he would limit freedom to superior men, Mencken replied that "the superior man can be sure of freedom only if it is given to all men." Thus Mencken was strongly opposed to Comstockery, to all government censorship of literary works, and he fought long and hard for the right of authors to write as they pleased and about what they pleased.

When one recalls how many literary figures and artists in all fields became enamored of socialism, communism, and the like in the nineteen twenties and thirties, it is a distinct pleasure to note that Mencken was never taken in. He recognized the enemies of liberty, no matter what their guise. In a letter dated May 2, 1936, to Upton Sinclair he writes:

> I am against the violation of civil rights by Hitler and Mussolini as much as you are, and well you know it. But I am also against the wholesale murders, confiscations, and other outrages that have gone on in Russia. I think it is fair to say that you pseudo-communists are far from consistent here. You protest, and with justice, every time Hitler jails an opponent, but you forget that Stalin and Company have jailed and murdered a thousand times as many.

All in all, these letters – over four hundred of them – reveal to the reader the Mencken whom Albert Jay Nock knew and admired:

> There is no better companion in the world than Henry; I admire him, and have the warmest affection for him. I was impressed afresh by his superb character – immensely able, unselfconscious, sincere, erudite, simple-hearted, kindly, generous, really a noble fellow if ever there was one in the world.

To give proper credit one must add that part of the enjoyment derived from this book came from the fact that it is one fine job of bookmaking. ◈

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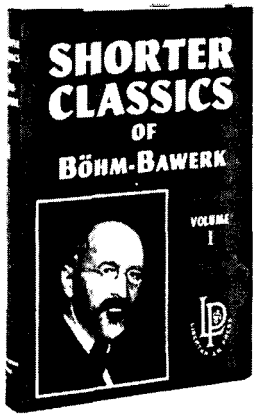

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